

BEFORE THE
REGULATORY AUTH.
TENNESSEE REGULATORY AUTHORITY

In the matter of the Application of
NationNet Communications Corporation
for a Certificate of Public Convenience
and Necessity to Provide Intrastate
Interexchange Services and Switched and
Special Access Local Exchange
and Resale Services

*01 MAY 21 AM 11 20

OFFICE OF THE
EXECUTIVE SECRETARY

TRA Docket No. 01-00447

APPLICATION OF NATIONNET COMMUNICATIONS CORPORATION

I. INTRODUCTION

Pursuant to the provisions of TCA §865-4-201 (b), (c) & (d) and the rules and regulations of the Tennessee Regulatory Authority, NationNet Communications Corporation, ("NationNet Communications Corporation" or "Applicant") respectfully seeks a Certificate of Public Convenience and Necessity to provide intrastate and interexchange telecommunications services, local exchange services through the use of its own facilities and the resold services of incumbent local exchange carriers and special access 1 local exchange services in the areas served by Bell South Telecommunications, Inc. ("Bell South") as defined by TCA § 65-4-101 (e).

1 NationNet Communications Corporation uses the term "special access" primarily to refer to providing customer access to interexchange carriers and interexchange carriers access to NationNet Communications Corporation's customers.

Approval of this Application will promote the public interest by increasing the level of competition in the provision of telecommunications services in Tennessee. Therefore, NationNet Communications Corporation respectfully requests that the Authority grant it a Certificate of Public Convenience and Necessity to provide the various telecommunications services described above. In support thereof, NationNet Communications Corporation provides the following information.

II. GENERAL

Applicant's legal name is NationNet Communications Corporation. Applicant maintains its principal place of business at:

NationNet Communications Corporation
35 Carriage House Drive #3
Jackson, TN 38305
(731) 660-6596

Correspondence or communications pertaining to this application should be directed to NationNet Communications Corporation President and CEO:

Ralph Monroe
35 Carriage House Drive #3
Jackson, TN 38305
(731) 660-6596

Questions concerning the ongoing operations of NationNet Communications Corporation following certification should be directed to:

Amy Marcella
NationNet Communications Corporation
35 Carriage House Drive #3
Jackson, TN 38305

Questions concerning the corporate matters of NationNet Communications Corporation should be directed to:

Amy Marcella
35 Carriage House Drive #3
Jackson, TN 38305

NationNet Communications Corporation is a privately held corporation incorporated under the laws of Delaware. A corporate organizational chart, in addition to a copy of NationNet Communications Corporation's Articles of Incorporation and authorization to do business in the State of Tennessee, is attached hereto at Exhibit A.

1. Contact name and address at the Company is:

Ralph Monroe, President
NationNet Communications Corporation
35 Carriage House Drive
Suite 3
Jackson, TN 38305
Telephone: (731) 660-6596
Facsimile: (731) 664-6601

2. Organizational Chart of Corporate Structure: Include any pertinent acquisition or merger information.

See **Exhibit A**

3. Corporate information:

NationNet Communications Corporation was incorporated in the state of Delaware on March 3, 2000. A copy of NationNet's Articles of Incorporation and amendments are provided in **Exhibit B.** The names and addresses of the principal corporate officers are in **Exhibit C.**

4. NationNet Communications Corporation possesses the managerial, technical, and financial ability to provide local telecommunications service in the State of Tennessee as demonstrated below:

A. Financial Qualifications:

In support of its financial qualifications, NationNet Communications Corporation submits the year-end 2000 SEC Form 8-K of its parent company, NationNet Communications Corporation (NNCC) in **Exhibit D.** NationNet's principal lines of business are long distance and local communications.

The Company has a number of financing vehicles in place to ensure adequate liquidity in meeting its anticipated funding needs.

NationNet expects to improve revenues and decrease expenses throughout 2001 as it realizes revenues and operating efficiencies from the nationwide fiber optic network began in 1996. **Exhibit D** summarizes the recent financial performance of NationNet. These include income statements, balance sheets, and statement of cash flows for year-end 2000. Also included are interim statements and projections for 2001, 2002, and 2003 including income statements, balance sheets and statement of cash flows. Thus, NationNet asserts that it has the financial resources necessary to operate as a competitive local service provider in Tennessee.

Exhibit E is a capital expenditures budget for 2001, 2002, and 2003 indicating type of equipment to be purchased, cost and sources for funding of projected capital expenditures.

B. Managerial Ability:

As shown in **Exhibit E** to this Application, NationNet has the managerial expertise to successfully operate a telecommunications enterprise in Tennessee. As described in the attached biographical information, NationNet's managerial team has extensive management and business experience in telecommunications.

C. Technical Qualifications:

NationNet services will satisfy the minimum standards established by the TRA. The Company will file and maintain tariffs in the manner prescribed by the TRA and will meet minimum basic local standards, including quality of service and billing standards required of all LEC's regulated by the TRA. Applicant will not require customers to purchase CPE, which cannot be used with Incumbent Local Exchange Carrier's systems. Thus, NationNet is certainly technically qualified to provide local exchange service in Tennessee.

5. Proposed Service Area:

NationNet is already authorized to provide telecommunications services in New York, Pennsylvania, North Carolina, Georgia, Florida, Washington, Oregon, Minnesota, Wisconsin, Kansas, New Jersey, Kentucky. Additionally, NationNet has pending applications for authority in Texas, Alabama, Arkansas, Indiana.

The applicant proposes to offer its services throughout the State of Tennessee with switches located in Nashville, Knoxville, Chattanooga, Memphis and Jackson.. These areas are currently being served by Southwestern Bell which are designated open to competition. NationNet intends to offer this broad range of telecommunications services through the use of its own facilities, resold facilities, and through a combination of these provisioning methods. NationNet anticipates collocating DSLAMS and other related electronic equipment in the central offices of the ILECS.

6. Types of Local Exchange Service to be provided:

NationNet expects to offer a broad variety of local exchange services, primarily to residential and business customers in Tennessee. NationNet's initial line of local services will be comparable to that currently offered by the incumbent LECS. Initially NationNet plans to offer basic access line service, PBX and DID Services, Optional Calling Features, Directory Assistance, Directory Services, and Operator Services, as well as all services required under TRA Rule 7.05. (f).

7. Repair and Maintenance:

NationNet understands the importance of effective customer service for local service customers. NationNet has made arrangements for its customers to call the company at its toll-free customer service number 1-888-420-7781. In addition, customers may contact the company in writing at the headquarters address, as well as via email at telgenics@aol.com. The toll free number will be printed on the customer's monthly billing statements. The Tennessee contact person knowledgeable about providers operations is Amy Marcella at 35 Carriage House Drive, Jackson, TN 38305 (731) 660-6596.

Grant of the Application will further the goals of the Tennessee Regulatory Authority and further the public interest by expanding the availability of competitive telecommunications services in the State of Tennessee. In addition, intrastate offering of these services is in the public interest because the services will provide Tennessee customers increased efficiencies and cost savings. Authorizing NationNet to provide local exchange telecommunications services will enhance materially the telecommunications infrastructure in the State of Tennessee and will facilitate economic development.

In particular, the public will benefit both directly, through the use of the competitive services to be offered by NationNet and indirectly, because NationNet's presence in Tennessee will increase the incentives for other telecommunications providers to operate more efficiently, offer more innovative services, reduce their prices, and improve their quality of service. Grant of this Application will further enhance the services available to Tennessee citizens for the reasons set forth above.

8. Tennessee Specific Operational Issues: Statements provided in Exhibit G.
9. Toll Dialing Parity Plan: Exhibit H.
10. Incumbent Local Exchange Carriers: Exhibit I.
11. Numbering Issues: Exhibit J.
12. Miscellaneous:
 - A. Sworn Pre-filed testimony: Exhibit K.
 - B. Applicant does not require customer deposits
 - C. As of now NationNet has not been subject to complaints in any of the states, in which we are doing business.
 - D. A copy of our tariff is enclosed.

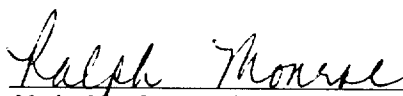
CONCLUSION:

NationNet respectfully requests that the TRA enter an order granting it a certificate of convenience and necessity to operate as a competing telecommunications service provider and authority to provide a full range of local exchange on a facilities-based and resale basis throughout the State of Tennessee in the service areas of Southwestern Bell, GTE and Sprint and any other ILEC that does not enjoy a rural exemption under Section 251 (f) of the Telecommunications Act of 1996. For the reasons stated above NationNet's provision of these services would promote the public interest by providing high quality service at competitive prices and by creating greater economic incentives for the development and improvement for all competing providers.

WHEREFORE, NationNet Communications Corporation requests that the Tennessee Regulatory Authority grant it a Certificate of Public Convenience and Necessity to provide facilities-based services and switched and special access local exchange services in Tennessee.

Respectfully submitted this 11th day of April 11, 2001.

NATIONNET COMMUNICATIONS CORPORATION



NationNet Communications Corporation
Ralph Monroe, President

VERIFICATION

State of Tennessee)
) : SS
County of Madison)

By this application, and participating in all proceedings necessary to effect certification, Applicant hereby asserts its willingness and ability to comply with all rules and regulations that the Public Service Commission may impose subject to Arkansas law as now or hereafter enacted.

NATIONNET COMMUNICATIONS CORPORATION

By: Ralph Monroe

Name: Ralph Monroe

Title: President/CEO

Date:

Sworn to and subscribed before me, the undersigned authority in and for the jurisdiction aforesaid, the within named Ralph Monroe, this 16 day of May 2001.

Candice Harris
Notary Public

My Commission Expires: Notary Public, Madison Co., 11
Comm. Expires Jan. 18, 200

LIST OF EXHIBITS

Exhibit A	Organizational Chart
Exhibit B	Articles of Incorporation Certificate of Authority to do Business in Tennessee
Exhibit C	Names and Officers of Corporation Resumes
Exhibit D	Financial Statements Income Statements Balance Sheets
Exhibit E	Capital Expenditure Budget
Exhibit F	Surety Bond
Exhibit G	Operational Issues
Exhibit H	IntraLATA Toll Dialing Parity
Exhibit I	Incumbent Local Exchange Carriers
Exhibit J	Numbering Issues
Exhibit K	Prefiled Testimony
Exhibit L	Minority Business Plan

EXHIBIT A
ORGANIZATIONAL CHART

NNC GLOBAL PREPAID SERVICES

We're excited and think you will be too, once you learn more about the creative programs and opportunities we're developing for our distribution partners. Nationnet is literally reinventing the prepaid industry and we'd like to share our vision and opportunity with you. NationNet thinks "outside the box" when it comes to our products, marketing, technology and partners. We invite you to join us today!

NationNet Communications Corporation is an ICP (Integrated Communications Provider) offering wholesale prepaid local dial tone, long distance calling cards, wireless, paging and internet services including web design, hosting and e-commerce solutions.

NationNet offers a full suite of prepaid products and services on the wholesale level to major distributors throughout the United States. Our focus is on providing a single stop solution for our customers. Through our domestic and international relationships we are able to leverage the purchasing power of many of the largest distribution channels through a single group purchasing alliance. We are seeking partners to join NationNet on all levels and invite you to contact us today.

NationNet Products & Services

Prepaid Long Distance-NationNet offers the most competitive decks in the industry and can custom design a domestic or international card to your exact specifications.

Prepaid Local Dialtone-Our experience in the local dialtone market is unmatched. We are able to provide postpaid and prepaid local services to business and residential customers nationwide.

Prepaid Cellular-The hottest part of the prepaid industry today, growing fast and we can provide immediate coverage to 97% of the U.S.

Prepaid Internet-With over 1,000 POP's nationwide, NationNet offers among the most complete coverage footprints in the industry. Our international alliances can provide you with a truly global presence.

Prepaid Unlimited Long Distance-A true unlimited flat-rate product using 100% fiber optic lines. For one flat rate, customers can make unlimited domestic long distance 24/7 calls to anywhere in the United States.

Prepaid Point of Sale Activation-NationNet is the acknowledged leader in POSA, offering the first and only turn-key "single source" for all prepaid services. Our experience and innovation is your best partner for success in the expanding POSA industry. We can work with any existing activation system or can offer you a turn-key solution to utilizing proven and tested systems.

EXECUTIVE TEAM

Ralph Monroe
President & CEO

Amy Marcella
VP of Operations

Gail Sharp
Office
Manager

Tina Nieves
Marketing
Manager

Candy Parrish
Accounting Mgr.

James Hooper
Accountant

NationNet is a service of Telgenics

"Prepaid Communication Services is for everyone"

Secretary of State
Division of Business Services
312 Eighth Avenue North
6th Floor, William R. Snodgrass Tower
Nashville, Tennessee 37243

DATE: 04/03/01
REQUEST NUMBER: 4166-0822
TELEPHONE CONTACT: (615) 741-2286
FILE DATE/TIME: 04/02/01
EFFECTIVE DATE/TIME:
CONTROL NUMBER: 0373448

TO:
NATIONNET COMMUNICATIONS CORP.
35 CARRIAGE HOUSE DR
NUMBER 3
JACKSON, TN 38305

RE:
NATIONNET COMMUNICATIONS CORPORATION
CORPORATION ANNUAL REPORT WITH STATEMENT OF CHANGE
OF REGISTERED OFFICE/AGENT

THIS WILL ACKNOWLEDGE THE FILING OF THE ATTACHED ANNUAL REPORT WITH STATEMENT
OF CHANGE OF REGISTERED OFFICE/AGENT ON THE DATE AS INDICATED ABOVE.

PLEASE BE ADVISED THAT THE ANNUAL REPORT IS BEING RETURNED FOR YOUR RECORDS
DUE TO THE CHANGE OF REGISTERED OFFICE/AGENT.

WHEN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR FILING,
PLEASE REFER TO THE CORPORATION CONTROL NUMBER GIVEN ABOVE.

FOR: CORPORATION ANNUAL REPORT WITH STATEMENT OF CHANGE ON DATE: 03/22/01
OF REGISTERED OFFICE/AGENT

FROM:
TELEGENIC COMMUNICATIONS CORP
35 CARRIAGE HOUSE
NO. 3
JACKSON, TN 38305-0000

RECEIVED: FEES
\$100.00 \$0.00
TOTAL PAYMENT RECEIVED: \$100.00

RECEIPT NUMBER: 00002836105
ACCOUNT NUMBER: 00362273



Riley C. Darnell

RILEY C. DARNELL
SECRETARY OF STATE

EXHIBIT B
INCORPORATION

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:00 AM 03/01/2001
010103148 - 3360708

CERTIFICATE OF INCORPORATION
OF
NATIONNET COMMUNICATIONS CORPORATION

FIRST. The name of this corporation shall be;

NATIONNET COMMUNICATIONS CORPORATION

SECOND. Its registered office in the State of Delaware is to be located at 2711 Centerville Road, Suite 400, in the City of Wilmington, County of New Castle, 19808, and its registered agent at such address is THE COMPANY CORPORATION.

THIRD. The purpose or purposes of the corporation shall be:

To engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH. The total number of shares of stock which this corporation is authorized to issue is:

One Thousand Five Hundred (1,500) shares without par value.

FIFTH. The name and mailing address of the incorporator is as follows:

Lynn Cannolongo
The Company Corporation
2711 Centerville Road, Suite 400
Wilmington, DE 19808

SIXTH. The Board of Directors shall have the power to adopt, amend or repeal the by-laws.

IN WITNESS WHEREOF, The undersigned, being the incorporator hereinbefore named, has executed, signed and acknowledged this certificate of incorporation this first day of March, A.D. 2001.

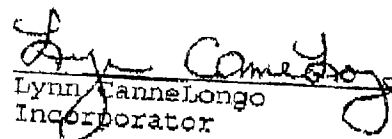

Lynn Cannolongo
Incorporator

EXHIBIT C
NAMES AND OFFICERS
RESUMES

NAMES AND OFFICERS OF NATIONNET COMMUNICATIONS CORPORATION

Ralph Monroe
President & CEO
35 Carriage House Drive
Jackson, TN 38305

Amy Marcella
Vice-President
35 Carriage House Drive
No. 3
Jackson, TN 38305

James Hooper
VP of Operations
35 Carriage House Drive
No. 3
Jackson, TN 38305

Wayne Green
Consultant
5140 Willow Way
Birmingham, AL 35242

Wayne A. Green

5140 Willow Way

(205)981-0221

Home

Birmingham, AL 35242

(205)981-6536

Work

Summary

Systems Engineer with approximately 15 years of experience in the sales and support of network architectures. Skilled in areas relating to presales engineering support, network design, implementation, management and administration. Demonstrated abilities in the business planning process, account qualification, developing and maintaining customer relationships and the understanding of current and proposed network technologies in the communications industry. Respected for interpersonal skills, integrity, leadership qualities and technical knowledge.

Professional Experience

Senior Systems Engineer, Bay Networks Corporation/ Nortel Networks, 1995 - Present

Primary responsibility involves the support of the technical sales process in the discovery and capturing of network sales and consulting opportunities. The scope of the position involves the following:

- Taking a proactive and direct role in the account management process in concert with the Sales Representative to develop network sales, integration and support opportunities.
- Establishing and managing appropriate customer relationships by developing, executing and maintaining appropriate rules of engagements with customers and/or Resellers.
- Work with the customer to defined equipment specifications and network requirements.
- Support the Resellers by providing sales support, technology and equipment training, as well as, equipment evaluation and demos.
- Understanding the current and proposed network activities within each named account and the factors that influence the sales process.
- Development of network designs in concert with the customer business plan while consulting with corporate engineers, support and marketing personnel.
- Provide recommendation on products and services that are strategic to the customers network requirements and business plan.
- In-depth understanding of Layer 2, Layer 3, ATM, Wide Area Networking, IP Services and Remote Access Technologies.
- Having technology competencies centered around the understanding of Local and Wide Area Routing standards, IP Services, Layer 2 and Layer 3 Switching, ATM, Ethernet, Token Ring, Datalink Switching, SNA, IPX, Appletalk, and DECNET.

Senior Consultant, AT&T Global Information Solutions, 1994 - 1995

Responsibilities involved the development of a consulting practice in Alabama designed around the sale of intellectual property to clients. The development of this Consulting Practice extended the capabilities of the clients staff, while significantly providing a positive impact on the corporate bottom line and productivity through the use of automation. The following describes the functions involved in the development of the Network Architecture Consulting Practice:

- Develop product goals which will meet or exceed the business requirements of the design
- Isolation of products, features, skill sets and engineering efforts which best position the client within a given technology area.
- Create pricing models and cost of ownership estimates which can be used by the client to understand the fiscal liability of a given technology.

- Choose technology strategies for overall network design (i.e. 802.3 Vs 802.5, ATM Vs Frame Relay, etc.)
- Provide solid product and strategy framework for implementation, education, management and administration of technology based resources, which benefits the client's technologists and decision-makers, in the selection and deployment of a network infrastructure design.
- Develop and execute network audits that provide clients with information relating to their current technology assets.
- Develop Logical, Physical and Operational Network Design modules that provides a comprehensive strategic network plan and specified network design alternatives that meet or exceed the stated business requirements.
- Development of comprehensive network design alternatives (Voice & Data) utilizing on software defined modeling and simulation programs.

Network System Engineer, Unisys Corporation (Network Enable Division) 1992 - 1994

Primary responsibilities involve the support of the Network Enable Sales Representative in the discovery and capturing of equipment sales opportunities. This position involved exclusively the development and sales of network equipment from various manufacturers. The selection of the appropriate manufacturer was driven by customer requirements.

Senior Engineer, Information Networks, Alabama Power/Southern Services (12/81 - 8/92).

Primary responsibilities involved the design and management of centralized and distributed multiprotocol computer networks. The design of these networks involved the integration of multiprotocol routers, bridges, Wiring Concentrators, X.25 switches and statistical multiplexers.

- Developed management procedures for the management and administration of TCP/IP, DECNET and LAT local and extended Ethernet networks. The management procedures involved the development of data acquisition modules resident on personal computers, Sun and HP Workstations.
- Served as an engineering consultant for our Network Operation Center in the procurement, installation and support of SNMP Integrated Network Management Software (SUNNET Manager and HP Openview).
- Developed customized network monitoring software that provided Network Operation Center personnel with the ability to proactively manage the majority of the corporate networks.
- Developed training and operational procedures for the daily administration of network hardware.
- Consulted with computer communications vendors on the acquisition of network hardware and software.

Education

Master of Science Electrical Engineering, Currently Attending

University of Alabama, Birmingham, AL: Curriculum which emphasized courses in Engineering Management, Communication Systems, Digital Design.
G. P. A. - 3.25/4.0

Bachelor of Science in Electrical Engineering, 1978 - 1981.

University of Alabama, Tuscaloosa, AL: Curriculum which emphasized courses in Communication Systems, Digital Design, Control and Dynamic Systems.
G. P. A. - 2.7/4.0

Bishop State Junior College, Mobile, AL 11/76 - 5/78.

Curriculum which emphasized the fundamental Pre-Engineering courses required for the successful completion of an engineering curriculum.
G. P. A. - 3.75/4.0

References Furnished Upon Request

Ralph Monroe
1722 Everett Ave.
Jackson, MS 39204
601- 353- 1137

Education:	1970-1973	Provine High School
	1973-1977	Jackson State University Major: Business/Marketing
Work Experience:	1977-1985	Clarion Ledger News Circulation Manager Jackson, MS
	1985-1992	Quality Construction Corp. Vice-President of Marketing Jackson, MS
	1992-1998	ValueHealth Home Health Agency Founder and CEO Vicksburg, MS
	1998-current	NationNet Comm. Corp. Founder/CEO Jackson, MS

Professional Experience:

Clarion Ledger News:
Responsible for Circulation and distribution of newspapers city and statewide.

Quality Construction Corp.:
Construction Superintendent and marketing single and multi-family housing.

ValueHealth Home Health Agency:
Developer of Senior Citizen housing and provider of medical services.

NationNet Communicaitons Corp.:
Marketer of telecommunication services.

James Everett Hooper
8461 Willow Creek Drive
Frisco, Texas 75034
Home Phone: (972) 712-2319
Voice Mail (214) 616-6361
E-mail: JHooper8@airmail.net

SUMMARY

Accomplished finance professional with strong technical, accounting, and analytical skills. Good working knowledge of personal computer. Diverse background in long-range financial cash planning, capital expenditures and general accounting. Consistently recognized for ability to show positive changes within immediate group and throughout the company.

WORK EXPERIENCE

Independent Financial Adviser/Analyst 1997 to Present

Prepared loan packages, financial statements account analysis, US Small business Administration loan forms, and Federal and State Income Tax Returns for independent businesses. Converted clients' manual accounting systems to computer. Performing contractual services such as:

- Redesigned and implemented the client's audit program which resulted in a 20% reduction in data keying errors and 25% audit completion turnaround Time. (Southland Corp. - 7-11)
- Reconciliation of client's payroll taxes that included but not limited to Federal Withholding, FICA, Medicare, and EIC for year-end closing. (Tenet Healthsystem)
- Examined clients database for fixed assets discrepancies. (Principles Financial Group)
- Reviewed, analyzed and updated clients bank reconciliation for audit purposes. (Old Navy Stores)
- Performed audits on clients account receivable for quarterly financial statement Purposes. (Control Diabetes Services and U. S. Healthcare Services)

ELECTRONIC DATA SYSTEMS, Plano, TX *Financial Analyst*

1989 to 1996

Developed and established a computer system dealing with telecommunication billing which produced monthly credits for client companies based on volume discount plans. Down load data from mainframe for account analysis.

- Reviewed competitor discount programs.
- Analyzed client voice traffic for cost savings and prepared proposals.
- Developed billing for non-standard services

James E. Hooper**Page 2**

- Functioned as billing liaison between client and service provider.
- Monitored account billing for conformance.
- Initiated a billing procedure for large customers with volumes between \$35 - 100 million annually.
- Built cost models for analytical purposes.
- Developed and proposed a system for electronic filing projected to save \$150,000 the first year.

Field Auditor, Plano, TX

1987 to 1989

Field Auditor, Jackson, MS

1985 to 1987

Performed desk audits of nursing homes, hospitals and home health care agency cost reports and field audits of long term care facilities and hospital third party provider.

- Revised the audit program to afford clients greater control of cost.
- Cross-reviewed field and desk audits on long term care facilities and hospitals.

COMMUNITY COUNSELING SERVICES, Starkville, MS

1982 - 1985

Business Manager

Supervised Personnel and coordinated office services.

- Prepared and reviewed budgets
- Computerized accounting operations

EDUCATION**Formal Training**

Bachelor of Science Degree - Accounting
Jackson State University, Jackson, MS

Professional Development

Business Leadership, Career Management, Group Dynamics, Problem Solving, Effective Business Writing, CBS Quality Education System, Presentation Techniques, Introduction to Capital Budgeting, Accounting and Financial Orientation, Successful PAL Management, On-line Financial Reporting, Business of General Motors, Voice Communications Fundamentals, Data Communications, Advanced Lotus 1-2-3, Excel.

Consulting Agreement
Between
JAG and Associates
And
NationNet Communications
Corporation

JAG & Associates

MANAGED PROJECT IMPLEMENTATION AND CONSULTING AGREEMENT

This Managed Project Implementation Agreement ("Agreement"), effective as of the 17th day of January 2001, ("Effective Date") by and between JAG & Associates ("JAG") with a place of business at 5140 Willow Way, Birmingham, AL 35242 and NationNet Corporation Corporation ("Customer").

WHEREAS, JAG & Associates provides implementation and consulting services of hardware and software products manufactured by Marconi Communications for use in frame and ATM based networks;

WHEREAS, Customer wishes to have JAG & Associates serve as principle consultants for the design and build out of competitive local exchange networks.

NOW, THEREFORE, in consideration of the mutual promises and conditions stated herein and intending to be legally bound, the parties agree as follows:

1. PERFORMANCE OF IMPLEMENTATION SERVICES

1.1. During the term hereof, JAG & Associates shall perform Consulting and Implementation Services, which will be subject to acceptance by Customer pursuant to the terms of Section 4 hereof. This Agreement sets forth the terms and conditions of such Implementation Services only, and their acceptance thereof. Nothing contained herein shall construe or imply any acceptance or non-acceptance of JAG & Associates Products by the Customer.

1.2. JAG & Associates shall furnish all necessary Products, labor, tools and equipment required for the successful completion of the Implementation Services described in this Agreement.

1.3. JAG & Associates shall designate an authorized representative who will act as a Project Manager and who shall have authority to oversee and direct day-to-day performance of the Implementation Services. The JAG & Associates representative is W. A. Green. JAG & Associates shall promptly notify Customer in writing if this representative is replaced.

1.4. During the course of performance of the Implementation Services, JAG & Associates will submit a weekly progress report to Customer outlining the Implementation Services completed during that week.

1.5. JAG & Associates shall have the right to obtain the services of qualified subcontractors to perform portions of the Implementation Services.

1.6. JAG & Associates shall conduct its work in such manner as to minimize interference with the operations of other contractors and of Customers at the Customer premises.

1.7. During the performance of the Implementation Services, JAG & Associates shall avoid the accumulation of excessive, unsightly, or dangerous waste materials or debris and shall arrange for the immediate orderly removal and disposal thereof.

1.8. JAG & Associates will obtain all required government licenses and permits required for the Implementation Services to be performed by JAG & Associates or its subcontractors. Customer shall reimburse JAG & Associates for the cost of all such licenses and permits.

1.9. JAG & Associates and its subcontractors will adhere to Customer's rules of conduct and all applicable federal, state, and local safety, fire, electrical, and building code requirements during the performance of Implementation Services.

JAG & Associates

MANAGED PROJECT IMPLEMENTATION AND CONSULTING AGREEMENT

1.10. JAG & Associates and its subcontractors shall maintain bodily injury and property damage liability insurance as necessary under this Agreement. Upon the Customer's request, JAG & Associates shall provide a certificate of insurance as evidence of such coverage.

2. DUTIES OF CUSTOMER

2.1. Prior to JAG & Associates' commencement of Implementation Services hereunder, Customer shall designate an authorized representative to act on Customer's behalf and serve as the person to be contacted by JAG & Associates during the performance of Implementation Services. The Customer representative is Edgar Bland. Customer shall promptly notify JAG & Associates in writing if this representative is replaced. The Customer representative and the JAG & Associates representative shall meet at the work site, or at agreed upon locations, as deemed necessary for JAG & Associates to ensure the orderly progress and timely completion of the Implementation Services.

2.2. During the term hereof, Customer shall provide JAG & Associates with access to the Customer premises and with sufficient workspace required to perform Installation Services.

2.3. During the term hereof, Customer shall take such action as may be necessary to permit JAG & Associates and its subcontractors to perform the Installation Services without interference from Customer or third parties.

2.4. In order to facilitate the efficient and cost-effective implementation of Customer network, JAG & Associates requires the following delivery from Customer prior to the rendering of services:

- Provide a modem and telephone line (both within easy reach of the equipment to be installed) along with the proper telephone number to allow remote access by JAG & Associates personnel during the installation.
- Provide a voice telephone line and number (near the installed equipment) for the installer to contact JAG & Associates.
- Provide a console password for use after the equipment is installed and configured.
- Provide an IP address and a subnet mask for the network interface (e.g., Switch Control Processor, Packet Engine, or Network Management Module) on each installed switch.
- Provide an IP address other than that of the host on the network connected to the installed equipment (to be used by project manager for testing network connections).
- Provide and verify the appropriate power requirements necessary to operate the equipment. The power outlets should be within three feet of the equipment to be installed.
- Verify all site environment specifications, as supplied by JAG & Associates, (including temperature, humidity, power and space) for the equipment.
- Verify interface specifications and requirements.
- Verify all distance and interference limitations of interface cables to be used at the installation.
- Install and verify the operation of all external communications equipment not provided by JAG & Associates. This external communications equipment includes, but may not be limited to, the following: LAN/WAN connections, channel service unit/digital service unit (CSU/DSU), media attachment unit (MAU), transceivers, modems, and any other external communications equipment related to the installation site.
- Verify the operation of all telephone circuits and T1/T3/OC-3c/OC-12c facilities not supplied by JAG & Associates, but required for the installation.
- Provide any Permanent Virtual Circuits (PVCs) designation appropriate to the applied equipment installation.

JAG & Associates

MANAGED PROJECT IMPLEMENTATION AND CONSULTING AGREEMENT

3. COMMENCEMENT AND COMPLETION OF CONSULTING AND IMPLEMENTATION SERVICES

3.1. The commencement date for the Implementation Services will be as determined in the Statement of Work set forth in Exhibit A hereto. Prior to the commencement date, JAG & Associates and Customer shall participate in a pre-implementation meeting at a mutually acceptable time and place. At such meeting, either party may request that modifications to the Statement of Work be made, and such modifications will be incorporated into this Agreement if both parties agree to such modifications in writing. Any and all such modifications that will increase the amount stated in Section 6.1 must be signed by of the Customer.

3.2. The Implementation Services will be completed no later than as designated in the Statement of Work. JAG & Associates will be entitled to a reasonable extension of the completion date if the Implementation Services are delayed by acts or omissions of Customer, written change orders, actions or other contractors (excluding JAG & Associates' subcontractors), or other events or occurrences beyond the control of JAG & Associates.

4. ACCEPTANCE OF IMPLEMENTATION SERVICES

Customer and JAG & Associates shall conduct acceptance testing of the Implementation Services pursuant to the terms of the acceptance test plan set forth in the Statement of Work attached hereto as Exhibit A. If Customer has not rejected such Implementation Services in writing within thirty (30) days after JAG & Associate's completion thereof because of the Implementation Services failing to conform to the Statement of Work, acceptance shall be deemed to have occurred. If any portion of the Implementation Services is rejected, JAG & Associates will correct any defect within a commercially reasonable time period. After receipt of notification of completion of any corrections required, Customer shall have fifteen (15) days in which to conduct acceptance testing of such corrections, which will be deemed accepted by Customer if no written rejection is made.

5. CHARGES

5.1. Customer shall pay to JAG & Associates for its performance of Implementation Services. Payment shall be based on service scope.

5.2. In addition to the charges set forth in Sections 5.1, Customer will pay all increase charges incurred by JAG & Associates as a result of change orders agreed to and executed by Customer and JAG & Associates.

6. PAYMENT SCHEDULE

6.1. At the completion of the consulting and Implementation Services as outlined in Exhibit A of this Agreement, a System Acceptance Form, as shown in Exhibit E, is completed and signed by Customer. The System Acceptance Form signifies that all deliverables, **for the entire project**, identified in this Agreement as outlined in Exhibit A, have been completed and are accepted by the customer. Customer will pay JAG & Associates the total charges for the Implementation Services completed.

For Implementation Services broken into multiple project phases, a Phase Acceptance Form, as shown in Exhibit F, is completed and signed by Customer. A Phase Acceptance Form signifies that all deliverables, **for a specified phase**, identified in this Agreement as outlined in Exhibit A, have been completed and are accepted by the customer. Customer will pay JAG & Associates the percentage of the total charges that corresponds with the percentage of Implementation Services completed in a specific phase.

JAG & Associates

MANAGED PROJECT IMPLEMENTATION AND CONSULTING AGREEMENT

A Sign-Off Exceptions Form, as shown in Exhibit G, may be used in conjunction with the System or Phase Acceptance Forms to document any issues remaining at the end of a project that the Customer expects to have corrected but aren't significant to withhold acceptance.

JAG & Associates

MANAGED PROJECT IMPLEMENTATION AND CONSULTING AGREEMENT

6.2. JAG & Associates will mail the original invoice to Customer at the following address:

__NationNet Communications Corporation__
__35 Carriage House Drive #3__
__Jackson, TN 38305__
Attention: Ralph Monroe

6.3. Each invoice shall be due and payable not later than thirty (30) days after its date of issuance.

7. RIGHT OF INSPECTION

Customer reserves the right to make inspections during the performance of Implementation Services, provided that such inspections do not unreasonably interfere with JAG & Associates' performance of its obligations hereunder.

8. DOCUMENTATION

Upon delivery of any Product to Customer, JAG & Associates will provide Customer with a complete set of Documentation. This comprehensive documentation package may include the following: network design summary, logical network design, rack elevation drawings, interconnection tables, baseline test results, configuration file contents, product inventory.

9. WARRANTY

9.1. JAG & Associates warrants that for thirty days after acceptance by Customer, the Implementation Services performed hereunder will conform to the specifications contained in the Statement of Work.

9.2. EXCEPT FOR THE EXPRESS WARRANTIES STATED HEREIN, JAG & Associates DISCLAIMS ALL EXPRESS OR IMPLIED WARRANTIES ON THE PRODUCTS AND IMPLEMENTATION SERVICES FURNISHED HEREUNDER, INCLUDING, WITHOUT LIMITATION, ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

10. TERM AND TERMINATION

10.1. The term of this Agreement shall commence on the effective date written above and, unless otherwise terminated as provided for herein, shall remain in full force and effect until the acceptance by Customer of the Implementation Services.

10.2. This Agreement may be terminated by either party if:

- (i) The other party is in default of any provision of this Agreement and such default is not cured within thirty (30) days after written notice thereof is given; or
- (ii) The other party becomes insolvent or seeks protection, voluntarily or involuntarily, under bankruptcy law.

10.3. In the event JAG & Associates terminates this Agreement due to Customer's default, JAG & Associates may:

JAG & Associates

MANAGED PROJECT IMPLEMENTATION AND CONSULTING AGREEMENT

- (i) Declare all amounts owed to JAG & Associates for performance of Installation Services hereunder to be immediately due and payable; and
- (ii) Enter Customer's premises and repossess all Products, supplies, consumables and other items supplied by JAG & Associates hereunder for which payment has not been received from Customer; and
- (ii) Cease performance of all Installation Services hereunder without liability to Customer.

IN WITNESS WHEREOF the parties have entered into this Agreement as of the date first set forth above.

JAG & Associates

(JAG)

By: _____

Name: Wayne A. Green

Title: Vice President Engineering

Effective Date: January 17, 2001

NationNet Communications Corporation

(Customer)

By: _____

Name: Ralph Monroe

Title: President

EXHIBIT A

STATEMENT OF WORK

JAG & Associates will provide consulting and implementation services for the installation, integration and configuration of competitive local exchange networks.

Methodology: JAG & Associates installation includes:

- ❖ Unpacking and inspecting the equipment at your site
- ❖ Placing the equipment in a designated rack
- ❖ Inserting and connecting system components
- ❖ Connecting switches to the network and customer-provided LAN/WAN connections
- ❖ Verifying firmware configuration and parameters
- ❖ Checking revision of operating system
- ❖ Performing appropriate diagnostics to verify proper operation
- ❖ Connecting console and cables
- ❖ Powering up equipment
- ❖ Loading system software
- ❖ Configuring network devices per design specifications, including setting up the customer IP address and administrative switch password(s)
- ❖ Testing and verifying basic network connectivity
- ❖ Connecting network closet connections to new equipment
- ❖ Obtaining your written sign-off upon completion of service

Installation specifically excludes detailed design assistance, formal test plan preparation and comprehensive documentation packages, which are covered under JAG & Associates *Managed Project Implementation*.

Deliverables: A JAG & Associates Professional Services representative will install and integrate Marconi Communications hardware products, according to the specifications listed above, into your existing network. You will receive fundamental documentation including a network map with IP network addressing and NSAP prefix, as well as device configuration files.

Installation

Duration: The time required for installation of Marconi Communications will be approximately 24 hours.

Customer Requirements:

In order to facilitate the efficient and cost-effective implementation of your network, JAG & Associates requires the following delivery from you:

- Provide a telephone line (both within easy reach of equipment to be installed) along with the proper telephone number to allow remote access by JAG personnel during the installation.
- Provide a voice telephone line and number (near the installed equipment) for the installer to contact JAG.
- Provide a console password for use after the equipment is installed and configured.
- Provide an IP address and a subnet mask for the network interface (e.g., Switch Control Processor, Packet Engine, or Network Management Module) on each installed switch.
- Provide an IP address — other than that of the host on the network — connected to the installed equipment (to be used by project manager for testing network connections), as appropriate.

EXHIBIT A

STATEMENT OF WORK

- Provide and verify appropriate power requirements necessary to operate the equipment. Power outlets should be within three feet of the equipment to be installed.
- Verify all site environment specifications, as supplied by JAG, (including temperature, humidity, power and space) for the equipment.
- Verify interface specifications and requirements.
- Verify all distance and interference limitations of interface cables to be used at the installation.
- Install and verify the operation of all external communications equipment not provided by JAG & Associates. External communications equipment includes, but may not be limited to, the following: LAN/WAN connections, channel service unit/digital service unit (CSU/DSU), media attachment unit (MAU), transceivers, modems, and any other external communications equipment related to the installation site.
- Verify the operation of all telephone circuits and T1/T3/OC-3c/OC-12c facilities not supplied by JAG & Associates, but required for the installation.

Testing, Certification and Acceptance:

- A. JAG & Associates Professional Services representative will test the Products. The acceptance tests are designed to determine the functional status of the Products. The tests will demonstrate that the performance of the Products meets all requirements as specified by the Customer. In accordance with the phased Implementation schedule, each primary site will be tested and accepted individually, with subsequent end-to-end testing and acceptance performed following completion of unit testing as determined by the Customer. All findings of the tests will be reported in writing to Customer within 30 days of completion of testing. The following tests will be performed:
1. Stand-alone Device Operation /Diagnostics
 2. Network Connectivity
 3. Failure Recovery Testing
- B. JAG & Associates Professional Services representative, in cooperation with Customer representatives, will develop an acceptance test document. This document will contain specific test procedures and expected results appropriate to demonstrate compliance with the Customer requirements. The tests will be mutually agreed-to and documented prior to the initiation of any test and certification activities.
- C. JAG & Associates Professional Services representative will certify that all Products are implemented in accordance with the criteria defined in the mutually agreed-to acceptance test document.

Network Cutover

- D. The primary site cutover and all subsequent cutovers will be performed as negotiated with the customer. The sequence of site transition will be as defined in the mutually negotiated master project schedule.

Documentation

JAG & Associates will provide, within thirty (30) days of network acceptance, documentation for the network. This documentation will include the following:

EXHIBIT A

STATEMENT OF WORK

Network Design Summary

As part of the detailed design process, JAG & Associates will develop a comprehensive network design report that describes, in narrative form, the design considerations, issues, trade-offs and ultimate decisions that led to the final implemented design. The design report breaks down the network design into a variety of areas appropriate to the customer network, and typically includes information on addressing choices, VLAN/ELAN layouts, explanations and descriptions of PNNI peer groups, and the protocol distribution within the network and how each was incorporated in the design.

Logical Network Diagram

A diagram or series of diagrams illustrating the logical interconnection of the devices in the network. Clearly evident on the diagram(s): applicable information on each device's network address (es), location reference designator, ELAN membership, and PNNI peer group membership (as appropriate).

Rack Elevation Drawings

A drawing detailing the placement and physical configuration of installed products in the racks within each telecommunications closet or equipment room. Illustration of existing devices and fiber and copper cable interconnection (patch) panels may also be included.

Interconnection Tables

Excel spreadsheets detailing the origination and termination point of all connections between installed products. Information will be broken down on a per-site, per-closet/ room basis and will include data to the device/port level.

Baseline Test Results

Copies of results of all network certification testing along with the test procedure as appropriate.

Configuration File Contents

Printouts of the LECS.CFG files and any other appropriate configuration data dumps from the installed products.

Product Inventory

Spreadsheet detailing on a per-site, per-rack basis of the model and serial numbers for each installed chassis and associated field-replaceable modules

EXHIBIT D
FINANCIAL STATEMENT

Financial Statements

of
NATIONNET COMMUNICATIONS CORP
For the Period Ended December 31, 2000

See Accompanying Accountant's Compilation Report

NATIONNET COMMUNICATIONS CORP
Balance Sheet
December 31, 2000

Assets

Current Assets		
Cash TRUSTMARK NATIONAL BANK	\$	28,266.98
Notes Receivable Ralph Monroe and Amy Marcella		100,000.00
Start Up Expenses		33,097.04
RALPH MONROE EXPENSE		<u>1,987.27</u>
Total Current Assets		\$163,351.29
Fixed Assets		
Fixtures and Equipment		<u>157,308.54</u>
Total Fixed Assets		157,308.54
Other Assets		<u> </u>
Total Assets		\$ <u>320,659.83</u>

See Accompanying Accountant's Compilation Report

NATIONNET COMMUNICATIONS CORP
Balance Sheet
December 31, 2000

Liabilities and Equity

Current Liabilities

Notes Payable Ralph Monroe and
Amy Marcella

\$ 309,500.00

Federal Withholding Payable

604.80

FICA Tax Payable

442.04

State Unemployment Payable

23.11

Total Current Liabilities

\$ 310,569.95

Long Term Liabilities

Demand Note Payable

36,290.42

Total Long Term Liabilities

36,290.42

Equity

Common stock

1,000.00

Paid in Surplus

100,000.00

Current Income (Loss)

(127,200.54)

Total Equity

(26,500.54)

Total Liabilities & Equity

\$ 320,659.83

See Accompanying Accountant's Compilation Report

NATIONNET COMMUNICATIONS CORP
Income Statement
For the Period Ended December 31, 2000

	8 Months Ended <u>Dec. 31, 2000</u>	<u>Pct</u>	8 Months Ended <u>Dec. 31, 2000</u>	<u>Pct</u>
Revenue				
Cost of Sales				
Supplies	3,080.00	0.00	3,808.00	0.00
TOOLS & SUPPLIES	<u>222.55</u>	<u>0.00</u>	<u>222.55</u>	<u>0.00</u>
Total Cost of Sales	<u>3,302.55</u>	<u>0.00</u>	<u>3,302.55</u>	<u>0.00</u>
Gross Profit	(3,302.55)	0.00	(3,302.55)	0.00
Operating Expenses				
Accounting	325.00	0.00	325.00	0.00
Bank Charges	16.50	0.00	16.50	0.00
Commissions	8.00	0.00	8.00	0.00
Equipment Rental	3,548.56	0.00	3,548.56	0.00
Interest	631.56	0.00	631.56	0.00
Legal	59,104.03	0.00	59,104.03	0.00
Office Expense	159.40	0.00	159.40	0.00
Rent	19,695.00	0.00	19,695.00	0.00
Repairs and Maintenance	2,134.70	0.00	2,134.70	0.00
Salaries- Officers	2,000.00	0.00	2,000.00	0.00
Salaries and Wages	2,889.24	0.00	2,889.24	0.00
Taxes- Payroll	244.13	0.00	244.13	0.00
Taxes- Other	1,218.50	0.00	1,218.50	0.00
Telephone	8,115.92	0.00	8,115.92	0.00
Travel	17,886.54	0.00	17,886.54	0.00
Utilities	328.55	0.00	328.55	0.00
Warehouse Expense	<u>569.40</u>	<u>0.00</u>	<u>569.40</u>	<u>0.00</u>
Total Expense	<u>118,875.03</u>	<u>0.00</u>	<u>118,875.03</u>	<u>0.00</u>
Operating Income	(122,177.58)	0.00	(122,177.58)	0.00
Net Income (Loss)	\$ <u>(122,177.58)</u>	<u>0.00</u>	\$ <u>(122,177.58)</u>	<u>0.00</u>

See Accompanying Accountant's Compilation Report

NATIONNET COMMUNICATIONS CORP
Statement of Cash Flows
For the Period of December 31, 2000
Increase (Decrease) in Cash or Cash Equivalents

	8 Months Ended <u>December 31, 2000</u>	8 Months Ended <u>December 31, 2000</u>
Cash Flow from Operating Activities		
Net Income (Loss)	\$ (127,200.54)	\$ (127,200.54)
Adjustments to Reconcile Cash Flow		
Decrease (Increase) in Current Assets		
Notes Receivable Ralph Monroe and Amy Marcella	(100,000.00)	(100,000.00)
Start Up Expenses	(33,097.04)	(33,097.04)
RALPH MONROE EXPENSE	(1,987.27)	(1,987.27)
Increase (Decrease) in Current Liabilities		
Notes Payable to Ralph Monroe and Amy Marcella	309,500.00	309,500.00
Federal Withholding Payable	604.80	604.80
FICA Tax Payable	442.04	442.04
State Unemployment Payable	<u>23.11</u>	<u>23.11</u>
Total Adjustments	<u>175,485.64</u>	<u>175,485.64</u>
Cash Provided (Used) by Operations	48,285.10	48,285.10
Cash Flow Investing Activities		
Sales (Purchases) of Assets		
Office Equipment	(10,227.83)	(10,227.83)
Equipment and Tools	(147,080.71)	(147,080.71)
Cash Provided (Used) by Investing	(157,308.54)	(157,308.54)
Cash Flow From Financing Activities		
Cash (Used) or provided by:		
Demand Note Payable	36,290.42	36,290.42
Common Stock	1,000.00	1,000.00
Paid in Surplus	<u>100,000.00</u>	<u>100,000.00</u>
Cash Provided (Used) by Financing	<u>137,290.42</u>	<u>137,290.42</u>
Net Increase (Decrease) in Cash	<u>28,266.98</u>	<u>28,266.98</u>
Cash at End of Period	\$ <u>28,266.98</u>	\$ <u>28,266.98</u>

See Accompanying Accountant's Compilation Report

Bank of America

Bank of America, N.A.
TN1-200-01-18
800 Main Street
Nashville, TN 37206-3618



Account Reference Information
Account Number: 0037 8328 44
Tax ID Number: 62-1838625
E O O A Enclosures 0
Statement Period
02/01/01 through 02/28/01



01406 001 SCM999 I 2 0

TELGENIC COMMUNICATIONS CORP
35 CARRIAGE HOUSE DR STE 3
JACKSON TN 38305-3944

Customer Service:

Bank of America, N.A.
P.O. Box 4899
Atlanta, GA 30302-4899
1.800.433.7680

Page 1 of 1

Business Economy Checking

Account Summary Information

Statement Period	02/01/01 through 02/28/01	Statement Beginning Balance	10,758.2
Number of Deposits/Credits	5	Amount of Deposits/Credits	18,723.0
Number of Withdrawals/Debits	23	Amount of Withdrawals/Debits	18,623.1
Number of Deposited Items	1	Statement Ending Balance	10,858.1
Number of Enclosures	0	Average Ledger Balance	6,278.0
Number of Days in Cycle	28	Service Charge	11.0

Deposits and Credits

Date Posted	Amount	Description	Bank Reference
02/14	2,251.56	Return Of Posted Check / Item (Received On 02-13)	95420213000170
02/16	711.14	Check #0000001004	
02/16	3,000.00	Return Of Posted Check / Item (Received On 02-15)	95420215000102
		Check #0000001015	
		Wire Type:Fed IN Date:010216 Time:1634	
		Fed Ref:000011 Seq:010216019561	904002169019561
		Orig:D5005531 Amy Marcel Pmt Det:Telgenics Communi	
02/20	10,000.00	Cation Co 35 Carriage House Dr Jackson, TN Ac-0037	
		83284409 Sending Bank:Mckenzie Bnkg TN	
		Wire Type:Fed IN Date:010220 Time:1550	
		Fed Ref:000009 Seq:010220023199	904002209023199
		Orig:D5005531 Amy Marcel Pmt Det:Telegenies Commun	
02/23	2,760.33	Ication Corp 35 Carriage House Dr Jackson TN Ac-00	
		3783284409 Sending Bank:Mckenzie Bnkg TN	
		Deposit	813002510842122

Bank of America

Bank of America, N.A.
TN1-200-01-18
800 Main Street
Nashville, TN 37206-3618



Account Reference Information
Account Number: 0037 8328 440
Tax ID Number: 62-1838625
EOA Enclosures 0
Statement Period
02/01/01 through 02/28/01

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TELGENIC COMMUNICATIONS CORP

Page 2 of

Business Economy Checking

Withdrawals and Debits

Checks

Check Number	Amount	Date Posted	Bank Reference	Check Number	Amount	Date Posted	Bank Reference
1001	2,600.00	02/06	813002510883092	1009	340.01	02/12	81300251077536
1004 *	2,251.56	02/13	813002510286329	1011 *	148.70	02/20	81300251024641
1004 *	2,251.56	02/28	813002510587630	1013 *	1,000.00	02/14	81300903079221
1005	617.83	02/13	813008130315799	1015 *	711.14	02/15	81300813004112
1006	5,000.00	02/02	813002310346577	1015 *	711.14	02/16	81300221055916
1007	244.00	02/01	813002310092125	1016	1,200.00	02/23	81300823006173
1008	965.00	02/12	813002510786046	1019 *	472.16	02/27	81300251034547

* Preceding check (or checks) is outstanding, is included in summary listing, or has been included in a previous statement.

Other Debits

Date Posted	Amount	Description	Bank Reference
02/14	25.00	Overdraft Fee For Activity Of 02-13	954202130006984
02/15	25.00	Check #0000001004	
02/16	10.00	Overdraft Fee For Activity Of 02-14	954202140001489
02/16	2.00	Check #0000001013	
02/16	2.00	Wire Transfer Fee	904002160018038
	25.00	Wire Transfer Fee	904002160018039
02/20		Overdraft Fee For Activity Of 02-15	954202150005270
02/20	10.00	Check #0000001015	
02/20	2.00	Wire Transfer Fee	
02/28	0.03	Wire Transfer Fee	904002200021014
02/28	11.00	Overdraft Interest Charge	904002200021015
		Monthly Maintenance Fee	

Daily Ledger Balances

Date	Balance	Date	Balance	Date	Balance
02/01		02/13	1,260.11-	02/20	12,032.61
02/02	10,514.29	02/14	33.55-	02/23	13,592.94
02/06	5,514.29	02/15	769.69-	02/27	13,120.78
02/12	2,914.29	02/16	2,193.31	02/28	10,858.19
	1,609.28				

Bank of America

Bank of America, N.A.
TN1-200-01-18
800 Main Street
Nashville, TN 37206-3618



Account Reference Information
Account Number: 0037 8328 440
Tax ID Number: 62-1838625
E 0 0 A Enclosures 0
Statement Period
02/01/01 through 02/28/01

TELGENIC COMMUNICATIONS CORP

Page 3 of 3

Business Economy Checking

Message Center

Open a Business Interest Maximizer account before March 5, 2001 with \$10,000 or more in new money and you could get a \$100 interest bonus. Just keep the new \$10,000 on deposit for 90 days. At the end of that time, we'll deposit the bonus in your account. One interest bonus per customer.

Why deliver your federal tax payment coupon to the teller? With Bank of America Express Tax Debit you can handle this payment by phone free of an Express tax charge. For information dial 1.888.666.0117.

Bank of America

Bank of America, N.A.
TN1-200-01-18
800 Main Street
Nashville, TN 37206-3618



Account Reference Information
Account Number: 0037 8328 4409
Tax ID Number: 62-1838625
E O O A Enclosures 0
Statement Period
01/11/01 through 01/31/01



01406 001 SCM999 I 23 0

TELGENIC COMMUNICATIONS CORP
35 CARRIAGE HOUSE DR STE 3
JACKSON TN 38305-3944

Customer Service:

Bank of America, N.A.
P.O. Box 4899
Atlanta, GA 30302-4899
1.800.433.7680

Page 1 of 2

Business Economy Checking

Account Summary Information

Statement Period 01/11/01 through 01/31/01
Number of Deposits/Credits 2
Number of Withdrawals/Debits 5
Number of Deposited Items 0
Number of Enclosures 0
Number of Days in Cycle 21

Statement Beginning Balance 0.00
Amount of Deposits/Credits 16,100.00
Amount of Withdrawals/Debits 5,341.71
Statement Ending Balance 10,758.29
Average Ledger Balance 6,496.57
Service Charge 0.00

Deposits and Credits

Date Posted	Amount	Description	Bank Reference
01/11	100.00	Deposit	
01/23	16,000.00	Wire Type:Fed IN Date:010123 Time:1354 Fed Ref:000831 Seq:010123011591 Orig:D0340007042736 B O Pmt Det:Telegenic Communic Ations Corp. Ac-003783284409 Sending Bank:First Te Nn Mem	813002310393096 904001239011591

Checks

Withdrawals and Debits

Check Number	Amount	Date Posted	Bank Reference	Check Number	Amount	Date Posted	Bank Reference
1002	2,000.00	01/29	813009130109586	1003	3,290.71	01/31	813009230145782

Bank of America



Bank of America, N.A.
TN1-200-01-18
800 Main Street
Nashville, TN 37206-3618

Account Reference Information
Account Number: 0037 8328 4403
Tax ID Number: 62-1838625
E 0 0 A Enclosures 0
Statement Period 000
01/11/01 through 01/31/01

TELGENIC COMMUNICATIONS CORP

Page 2 of 1

Business Economy Checking

Withdrawals and Debits - Continued

Other Debits

Date Posted	Amount	Description	Bank Reference
01/23	10.00	Wire Transfer Fee	904001230010624
01/23	2.00	Wire Transfer Fee	904001230010625
01/25	39.00	Check ORDER00406; Des = fee ; ID = Eff Date: 010125; Indn: Telegenic Communicatio	902510252794160

Daily Ledger Balances

Date	Balance	Date	Balance	Date	Balance
01/11	100.00	01/25	16,049.00		
01/23	16,088.00	01/29	14,049.00	01/31	10,758.29

Message Center

Make your deposits at the ATM from January 2 through March 3 and you could win triple the amount of your deposit. The larger your deposit, the more you could win. For details and official rules call 1.800.999.6415. No deposit necessary to enter.

Your Business Check Card is free of monthly or annual fees - A part of your Business Checking Account. And, it works like a check only better. No bulky checkbooks to carry. No checks to write. Best of all your Business Check Card is accepted at over 19 million Visa merchant locations worldwide. For more information call 1-888-600-4000.

EXHIBIT E
CAPITAL EXPENDITURE BUDGET

10

- (A) INCOME BASED ON \$0.095 CPM
- (B) PREPAID WIRELESS CARDS AT \$20.00 = 50 MIN, \$50.00 = 150 MIN., \$100.00 = 300 MIN, \$200.00 = 600MIN. THEREFORE AVERAGE CARD PRICE 4/100 MINUTES = 275 AVG MIN PER CARD
- (C) PREPAID LD FOR \$20.00 CARD IS 284 MINUTES. IF CHARGE IS .0474 PER MINUTES X284=1CARD PER MO
- (D) PROMOTIONAL CARD. PREPAID LONG DISTANCE CARD TO PROMOTED OTHER PRODUCTS
- (E) PREPAID DIAL TONE. INSTALLATION AND ONE M MONTH SERVICE BASIC PHONE SERVICE FOR CONSUMER
- (F) RECURRING CHARGES FOR PREPAID BASIC PHONE SERVICES
- (G) BUSINESS SERVICES - VIDEO CONFERENCE HIGH SPEED INTERNET DISTANCE LEARNING AND MEDICENCE TO START IN THE 3RD
- (H) CABLE SERVICES - DIRECT TV, ASP (LEASING OF SOFTWARE) SERVICES, E-COMMERCE WEB PAGES, ECT
- (I) 2 LINES PER WEEK @ \$1.500 LINE PER CUSTOMER. EXPENSES IS AVERAGE COST OF \$200.00 PER LINE
- (J) DIAL-UP INTERNET
- (K) POST PAID LD IS INCOME FROM POST PAY CUSTOMERS. 07CENT PER MIN. PLUS \$2.50 ACCESS CHARGE OR FLAT RATE OF \$69.95 FOR UNLIMITED CALLS. 2 CUSTOMERS PER FOR FIRST 12 MONTHS. SAME THEREAFTER
- (L) (1)BUNDLE INCLUDING LOCAL DIAL TONE, FIVE CLASS FEATURES AND DIAL-UP INTERNET SERVICES. \$29.95
- (M) (2)BUNDLE INCLUDING LOCAL DIAL TONE, FIVE CLASS FEATURES AND DIAL-UP INTERNET SERVICES. WITH 3 ADDITIONAL LINES. \$39.95
- (N) (3)BUNDLE INCLUDING LOCAL DIAL TONE, FIVE CLASS FEATURES AND HIGH SPEED INTERNET SERVICES. WITH 3 ADDITIONAL LINES AND CABLE SERVICES. \$69.95
- (O) OTHER CARRIER USAGE CHARGE ON OUR NETWORK
- (P) RECIPROCAL COMPENSATION INCOME RECEIVED FLEC TERMINATING SERVICES.

**NATIONNET COMMUNICATIONS
PROJECTED INCOME STATEMENT
TWELVE MONTH ENDING 2002**

	APRIL	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH	TWELVE MONTH TOTAL
SALES.....	\$307,099	\$311,598	\$356,082	\$488,592	\$518,577	\$551,359	\$753,689	\$809,941	\$866,193	\$1,105,866	\$1,196,401	\$1,286,317	\$8,551,733
LESS COST SALES.....	115,977	115,977	115,977	150,221	150,221	150,221	194,443	194,443	194,443	242,582	242,582	242,582	2,109,669
GROSS SALES.....	<u>\$191,122</u>	<u>\$195,621</u>	<u>\$240,105</u>	<u>\$338,371</u>	<u>\$368,356</u>	<u>\$401,138</u>	<u>\$559,246</u>	<u>\$615,498</u>	<u>\$671,750</u>	<u>\$863,304</u>	<u>\$953,819</u>	<u>\$1,043,735</u>	<u>\$6,442,064</u>
LESS OPERATING EXPENSES...	257,120	242,520	245,920	304,350	317,850	337,525	413,257	440,183	467,109	564,983	607,335	661,687	4,857,839
OTHER INCOME.....													
INCOME BEFORE TAXES.....	<u>(\$65,998)</u>	<u>(\$46,900)</u>	<u>(\$5,815)</u>	<u>\$34,021</u>	<u>\$50,506</u>	<u>\$63,613</u>	<u>\$145,990</u>	<u>\$175,315</u>	<u>\$204,641</u>	<u>\$298,321</u>	<u>\$346,484</u>	<u>\$382,047</u>	<u>\$1,584,225</u>

NATIONNET COMMUNICATIONS														
PROJECTED INCOME														
TWELVE MONTH ENDING 2002														
SALES	Q1			Q2			Q3			Q4			TOTAL	
	APRIL	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR		
REPAID ID	302,100	302,100	302,100	377,625	377,625	377,625	472,283	472,283	472,283	569,962	569,962	569,962	\$5,165,910	
REPAID WIRELESS	0	0	0	0	0	0	0	0	0	0	0	0	\$0	
REPAID VIRTUAL	0	0	0	0	0	0	0	0	0	80	80	80	\$240	
MART CARDS													\$0	
REPAID-DIAL TONE														
ONE TIME CHARGE														
RECURRING														
HARGE	4,999	7,499	29,994	74,985	74,985	74,985	140,672	140,672	140,672	226,355	226,355	226,355	\$1,368,526	
REPAID-DIAL TONE														
RECURRING														
HARGE	0	1,999	23,988	35,982	65,967	95,952	125,937	182,189	238,441	294,693	385,207	475,722	\$1,926,076	
ULTRABAND 40 MB													\$0	
ROADBAND 1.2 MB													\$0	
-18 PRI LINES							12,000	12,000	12,000	12,000	12,000	12,000	\$72,000	
ARROW BAND 56													\$0	
OST PAID LONG													\$0	
ISTANCE	0	0	0	0	0	0	0	0	0	0	0	0	\$0	
OST PAID DIAL														
ONE BRUNDLE #1	0	0	0	0	0	599	599	599	599	599	599	0	\$3,594	
OST PAID DIAL														
ONE BRUNDLE #2						799	799	799	799	799	799	799	\$5,593	
OST PAID DIAL														
ONE BRUNDLE #3						1,399	1,399	1,399	1,399	1,399	1,399	1,399	\$9,793	
N-NET INCOME													\$0	
EQUIPROCAL														
OMPENSATION	0	0	0	0	0	0	0	0	0	0	0	0	\$0	
OTAL SALES	307,099	311,598	356,082	488,592	518,577	551,359	753,689	809,941	866,193	1,105,886	1,196,401	1,286,317	8,551,733	

NATIONNET COMMUNICATIONS PROJECTED EXPENSES TWELVE MONTH ENDING 2002													
EXPENSES	APRIL	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
ABOR	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	51,840
MANAGEMENT	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	180,000
AVROLL TAXES	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	22,800
BENEFITS INS HEALTH	0	0	0	0	0	0	0	0	0	0	0	0	0
ENGINEERS CONSULTANTS	500	500	500	500	500	500	500	500	500	500	500	500	6,000
CONSULTANTS-HARDWARE	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
CONSULTANTS-SOFTWARE	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
WIRELESS	0	0	0	0	0	0	0	0	0	0	0	0	0
ST CHARGES	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
LOCATION	0	0	0	0	0	0	0	0	0	0	0	0	0
ACCOUNT	5,400	10,800	16,200	29,700	43,200	56,700	83,626	110,552	137,478	179,930	222,182	264,534	1,160,202
1-DS3 CONNECTION	0	0	0	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	18,000
EQUIPMENT NOTE 24 MO	0	0	0	0	0	0	0	0	0	0	0	0	0
ARD PRINTING	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
EBT 500,000@9% 2 YR	0	0	0	0	0	0	0	0	0	0	0	0	0
AY PHONE FEE	400	400	400	400	400	400	400	400	400	400	400	400	4,800
AX AND COLLECTION 10%	5,845	5,845	5,845	5,845	5,845	5,845	5,845	5,845	5,845	5,845	5,845	5,845	70,140
FFICE RENT	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
FFICE EXPENSES	700	700	700	700	700	700	700	700	700	700	700	700	8,400
RAVEL	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
ILITY EXPENSES	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
VERTISING 3%	2,000	2,000	0	0	0	5,000	0	0	0	0	0	12,000	21,000
EQUAL AND ACCOUNTING	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
ISC POSTAGE, ETC	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
USTOMER SERVICES	6,560	6,560	6,560	6,560	6,560	6,560	6,560	6,560	6,560	6,560	6,560	6,560	78,720
FFICE PHONE EXP	700	700	700	700	700	700	700	700	700	700	700	700	8,400
ICENSE	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	16,500
IXTURES AND FURNITURE	20,000	0	0	0	0	0	0	0	0	0	0	0	20,000
SP FEE (55X25)	200	200	200	200	200	1,375	1,375	1,375	1,375	1,375	1,375	1,375	10,625
OS EQUIPMENT	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
ERMATION FEE	85,860	85,860	85,860	107,325	107,325	107,325	134,228	134,228	134,228	161,989	161,989	161,989	1,468,206
GINATION FEE	85,860	85,860	85,860	107,325	107,325	107,325	134,228	134,228	134,228	161,989	161,989	161,989	1,468,206
EPAIRS	500	500	500	500	500	500	500	500	500	500	500	500	6,000
PERATING SOFTWARE	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	22,000
ESTERN UNION	0	0	0	0	0	0	0	0	0	0	0	0	0
STALLATION	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES	\$257,120	\$242,520	\$245,920	\$304,350	\$317,850	\$337,525	\$413,257	\$440,183	\$467,109	\$564,983	\$607,335	\$661,667	\$4,667,839

[illegible]

NATIONNET COMMUNICATIONS
PROJECTED INCOME STATEMENT
THIRD TWELVE MONTH ENDING 2004

	APRIL	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH	TWELVE MONTH TOTAL
ALES	\$1,650,968	\$1,754,088	\$1,857,308	\$1,960,528	\$2,063,747	\$2,166,967	\$2,262,102	\$2,373,407	\$2,476,626	\$2,579,926	\$2,683,146	\$2,785,766	\$26,614,479
ESS COST SALES	311,587	311,587	311,587	317,887	317,887	317,887	327,085	327,085	327,085	339,083	339,083	339,083	3,886,923
GROSS SALES	<u>\$1,339,282</u>	<u>\$1,442,501</u>	<u>\$1,545,721</u>	<u>\$1,642,641</u>	<u>\$1,745,861</u>	<u>\$1,849,080</u>	<u>\$1,935,017</u>	<u>\$2,046,322</u>	<u>\$2,149,541</u>	<u>\$2,240,843</u>	<u>\$2,344,063</u>	<u>\$2,446,684</u>	<u>\$22,727,556</u>
ESS OPERATING EXPENSES	630,892	626,877	636,062	687,597	678,852	705,939	735,503	770,567	805,630	857,662	909,695	974,927	8,131,655
OTHER INCOME													
INCOME BEFORE TAXES	<u>\$708,390</u>	<u>\$815,625</u>	<u>\$909,659</u>	<u>\$955,044</u>	<u>\$1,067,009</u>	<u>\$1,143,141</u>	<u>\$1,199,514</u>	<u>\$1,275,755</u>	<u>\$1,343,911</u>	<u>\$1,383,181</u>	<u>\$1,434,368</u>	<u>\$1,471,757</u>	<u>\$14,595,901</u>

EXPENSES	NATIONNET COMMUNICATIONS PROJECTED EXPENSES THIRD TWELVE MONTH ENDING 2004												TOTAL
	APRIL	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	
LABOR	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	259,200
MANAGEMENT	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	480,000
PAYROLL TAXES	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100	73,200
BENEFITS-INS HEALTH	4,928	4,928	4,928	4,928	4,928	4,928	4,928	4,928	4,928	4,928	4,928	4,928	54,208
ENGINEERS CONSULTANTS	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
CONSULTANTS-HARDWARE	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
CONSULTANTS SOFTWARE	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
WIRELESS	4,950	4,950	4,950	4,950	4,950	4,950	4,950	4,950	4,950	4,950	4,950	4,950	59,400
SS7 CHARGES	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
COLLOCATION	0	0	0	0	0	0	0	0	0	0	0	0	0
Q ACCOUNT (PREPAID)	5,400	10,800	18,200	29,700	43,200	56,700	70,200	83,700	97,200	110,700	124,200	137,700	1,160,202
Q ACCOUNT (POST PAY)	180	180	180	180	180	180	180	180	180	180	180	180	2,160
T-1 DS3 CONNECTION	0	0	0	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	18,000
T-18 PRI LINES (CLEC CHARGES)	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	57,600
T-18 PRI LINES (INSTALLATION)	4,000	0	0	0	0	0	0	0	0	0	0	0	4,000
EQUIPMENT NOTE 24 MO	0	0	0	0	0	0	0	0	0	0	0	0	0
CARD PRINTING	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
DEBIT 500,000@9% 2 YR	0	0	0	0	0	0	0	0	0	0	0	0	0
PAY PHONE FEE	400	400	400	400	400	400	400	400	400	400	400	400	4,800
TAX AND COLLECTION 10%	5,845	5,845	5,845	5,845	5,845	5,845	5,845	5,845	5,845	5,845	5,845	5,845	70,140
OFFICE RENT	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
OFFICE EXPENSES	700	700	700	700	700	700	700	700	700	700	700	700	8,400
TRAVEL	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
UTILITY EXPENSES	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
ADVERTISING 3%	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
LEGAL AND ACCOUNTING	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
MISC. POSTAGE, ETC.	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
CUSTOMER SERVICES	6,560	6,560	6,560	6,560	6,560	6,560	6,560	6,560	6,560	6,560	6,560	6,560	78,720
OFFICE PHONE EXP	700	700	700	700	700	700	700	700	700	700	700	700	8,400
LICENSE	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	16,500
PREPAID SOFTWARE SETUP FEE	10,000	0	0	0	0	0	0	0	0	0	0	0	10,000
ISP FEE (95/25)	200	200	200	200	200	200	200	200	200	200	200	200	2,400
POS EQUIPMENT	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
TERMINATION FEE	214,650	214,650	214,650	214,650	214,650	214,650	214,650	214,650	214,650	214,650	214,650	214,650	2,575,800
ORIGNATION FEE	214,650	214,650	214,650	214,650	214,650	214,650	214,650	214,650	214,650	214,650	214,650	214,650	2,575,800
REPAIRS	500	500	500	500	500	500	500	500	500	500	500	500	6,000
OPERATING SOFTWARE	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	22,000
WESTERN UNION COLLECTION FEE	0	0	0	0	0	0	0	0	0	0	0	0	0
ACE COLLECTION FEE	0	0	0	0	0	0	0	0	0	0	0	0	0
INSTALLATION	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES	\$630,892	\$626,877	\$636,062	\$687,597	\$678,652	\$705,939	\$736,503	\$770,567	\$806,630	\$857,662	\$908,696	\$974,927	\$8,131,655

EXHIBIT F
SURETY BOND

TENNESSEE REGULATORY AUTHORITY

TENNESSEE TELECOMMUNICATIONS SERVICE PROVIDER'S SURETY BOND

Bond #: 307944

WHEREAS, NATIONNET COMMUNICATIONS CORPORATION (the "Principal") has applied to the Tennessee Regulatory Authority for authority to provide telecommunications services in the State of Tennessee;

WHEREAS, under the provisions of Title 65, Chapter 4, Section 125(j) of the Tennessee Code Annotated, as amended, the Principal is required to file this bond in order to obtain such authority and to secure the payment of any monetary sanction imposed in any enforcement proceeding brought under Title 65 of the Tennessee Code Annotated or the Consumer Telemarketing Act of 1990, by or on behalf of the Tennessee Regulatory Authority (the "TRA"); and

WHEREAS, International Fidelity Insurance Company (the "Surety"), a corporation licensed to do business in the State of Tennessee and duly authorized by the Tennessee Commissioner of Insurance to engage in the surety business in this state pursuant to Title 56, Chapter 2 of the Tennessee Code Annotated, has agreed to issue this bond in order to permit the Principal to comply with the provisions of Title 65, Chapter 4, Section 125(j) of the Tennessee Code Annotated;

NOW THEREFORE, BE IT KNOWN, that we the Principal and the Surety are held and firmly bound to the STATE OF TENNESSEE in accordance with the provisions of Tennessee Code Annotated, Title 65, Chapter 4, Section 125(j), in the full amount of twenty thousand dollars (\$20,000.00) lawful money of the United States of America to be used for the full and prompt payment of any monetary sanction imposed against the Principal, its representatives, successors or assigns, in any enforcement proceeding brought under Title 65 of the Tennessee Code Annotated or the Consumer Telemarketing Act of 1990, by or on behalf of the TRA, for which obligation we bind ourselves, our representatives, successors and assigns, each jointly and severally, firmly and unequivocally by these presents.

This bond shall become effective on the 4th day of May, 2001 and shall be continuous; provided, however, that each annual renewal period or portion thereof shall constitute a new bond term. Regardless of the number of years this bond may remain in force, the liability of the Surety shall not be cumulative, and the aggregate liability of the Surety for any and all claims, suits or actions under this bond shall not exceed Twenty Thousand Dollars (\$20,000.00). The Surety may cancel this bond by giving thirty (30) days written notice of such cancellation to the TRA and Principal by certified mail, it being understood that the Surety shall not be relieved of liability that may have accrued under this bond prior to the date of cancellation.

PRINCIPAL

NATIONNET COMMUNICATIONS CORPORATION

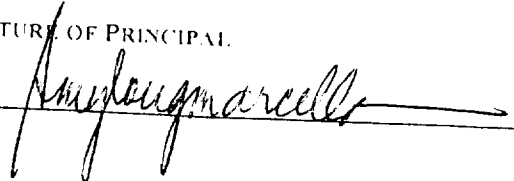
Name of Company authorized by the TRA

Company ID # as assigned by TRA

SIGNATURE OF PRINCIPAL

Name:

Title:



ATLANTA, GA 30360
SUITE 210
1301 HIGHTOWER TRAIL
EXECUTION OF THIS BOND SHOULD BE ADDRESSED TO
ALL CORRESPONDENCE ARISING FROM THIS

NOTICE

THIS BOND IS ISSUED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 125, CHAPTER 4, TITLE 65 OF THE TENNESSEE CODE ANNOTATED AS AMENDED BY CHAPTER NO. 586, 2000 PUBLIC ACTS. SHOULD THERE BE ANY CONFLICT WITH THE TERMS HEREOF AND THE STATUTE OR REGULATIONS PROMULGATED THEREUNDER THE STATUTE OR REGULATIONS SHALL PREVAIL. (POWER OF ATTORNEY FROM AN APPROVED INSURANCE COMPANY MUST BE ATTACHED.)

SURETY

International Fidelity Insurance Company

Name of Surety

P.O. Box 500698 Atlanta, GA 30350

Address of Surety

SIGNATURE OF SURETY AGENT

Name: Kelley Nys

Title: Attorney-In-Fact

Address of Surety Agent:

P.O. Box 500698 Atlanta, GA 30350

POWER OF ATTORNEY INTERNATIONAL FIDELITY INSURANCE COMPANY

HOME OFFICE: ONE NEWARK CENTER, 20TH FLOOR
NEWARK, NEW JERSEY 07102-5207

KNOW ALL MEN BY THESE PRESENTS: That **INTERNATIONAL FIDELITY INSURANCE COMPANY**, a corporation organized and existing laws of the State of New Jersey, and having its principal office in the City of Newark, New Jersey, does hereby constitute and appoint

ANDREW C. HEANER, CYRA B. PETERSON, MICHAEL D. GERALD, KELLY NYS

Atlanta, GA.

its true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, and the execution of such instrument(s) in pursuance of these presents, shall be as binding upon the said **INTERNATIONAL FIDELITY INSURANCE COMPANY**, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office.

This Power of Attorney is executed, and may be revoked, pursuant to and by authority of Article 3-Section 3, of the By-Laws adopted by the Board of Directors of **INTERNATIONAL FIDELITY INSURANCE COMPANY** at a meeting called and held on the 7th day of February, 1974.

The President or any Vice President, Executive Vice President, Secretary or Assistant Secretary, shall have power and authority

- (1) To appoint Attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof and,
- (2) To remove, at any time, any such attorney-in-fact and revoke the authority given.

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted at a meeting duly called and held on the 29th day of April, 1982 of which the following is a true excerpt:

Now therefore the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.



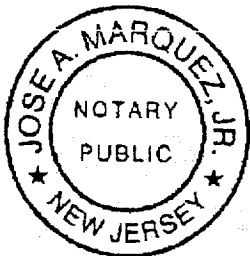
IN TESTIMONY WHEREOF, **INTERNATIONAL FIDELITY INSURANCE COMPANY** has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, this 31st day of August, A.D. 1998.

STATE OF NEW JERSEY
County of Essex

INTERNATIONAL FIDELITY INSURANCE COMPANY

[Signature]
Vice-President

On this 31st day of August 1998, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said he is the therein described and authorized officer of the **INTERNATIONAL FIDELITY INSURANCE COMPANY**; that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his signature were duly affixed by order of the Board of Directors of said Company.



IN TESTIMONY WHEREOF, I have hereunto set my hand affixed my Official Seal, at the City of Newark, New Jersey the day and year first above written.

[Signature]

A NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Nov. 21, 2005

CERTIFICATION

I, the undersigned officer of **INTERNATIONAL FIDELITY INSURANCE COMPANY** do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, with the **ORIGINALS ON IN THE HOME OFFICE OF SAID COMPANY**, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect

IN TESTIMONY WHEREOF, I have hereunto set my hand this 4th day of May 2001

[Signature]
Assistant Secretary

ACKNOWLEDGMENT OF PRINCIPAL

STATE OF TENNESSEE
COUNTY OF _____

Before me, a Notary Public of the State and County aforesaid, personally appeared _____ with whom I am personally acquainted and who, upon oath, acknowledged himself to be the individual who executed the foregoing bond on behalf of _____, and he acknowledged to me that he executed the same.

WITNESS my hand and seal this _____ day of _____, 20____.

My Commission Expires:

_____, 20____

Notary Public

ACKNOWLEDGMENT OF SURETY

STATE OF TENNESSEE
COUNTY OF MADISON

Before me, a Notary Public of the State and County aforesaid, personally appeared RALPH MICHAEL with whom I am personally acquainted and who, upon oath, acknowledged himself to be the individual who executed the foregoing bond on behalf of NATIONNET COMMUNICATIONS CORPORATION, the within named Surety, a corporation licensed to do business in the State of Tennessee and duly authorized by the Tennessee Commissioner of Insurance to engage in surety business in this state pursuant to Title 56, Chapter 2 of the Tennessee Code Annotated, and that he as such an individual being authorized to do so, executed the foregoing bond, by signing the name of the corporation by himself and as its individual.

WITNESS my hand and seal this 16th day of May, 2001

My Commission Expires:

ALICE PARRISH
Notary Public, Madison Co., TN
Comm. Expires 10, 2000

Audrey E. Parrish
Notary Public

APPROVAL AND INDORSEMENT

This is to certify that I have examined the foregoing bond and found the same to be sufficient and in conformity to law, and the sureties on the same are good and worth the penalty thereof, and that the same has been filed with the Tennessee Regulatory Authority, State of Tennessee, this _____ day of _____, 20____.

Name:

Title:

EXHIBIT G

TENNESSEE SPECIFIC OPERATIONAL ISSUES

IX. Tennessee Specific Operational Issues

Please provide answers to the following questions concerning Tennessee Specific Operational Issues.

1. How does the company intend to comply with TCA 865-21-114? In its description, please explain technically how the company will not bill for countywide calls within Tennessee.

NationNet will establish a LATA for each county in the State of Tennessee that will enable the citizens within that county to make local calls to each other.

2. Is the company aware of the Tennessee County Wide Calling database maintained by BellSouth and the procedures to enter your telephone numbers on the database?

Yes. NationNet is aware of BellSouth's County Wide Calling database.

3. Is your company aware of the local calling areas provided by the Incumbent Local Exchange Carriers in your proposed service areas?

Yes. NationNet will provide written notice of our service plans.

4. Explain the procedures that will be implemented to assure that your customers will not be billed long distance charges for calls within the metro calling areas.

Yes. NationNet will provide toll free calling within any county in the State of Tennessee. NationNet will provide toll free calling for county wide calling for all counties within the State of Tennessee.

5. Please provide the name and telephone number of an employee of your company that will be responsible to work with the TRA on resolving customer complaints.

Amy Marcella
35 Carriage House Drive
Jackson, TN 38305
(731) 660-6596

6. Does the company intend to telemarket its services in Tennessee? If yes, is the company aware of the telemarketing statutes and regulations found in TCA 865-4-401 *et seq.* And Chapter 1220-4-11?

Yes, we intend to telemarket. No we are not familiar with regulations but we will familiarize before we start.

EXHIBIT H

INTRALATA TOLL DIALING PARITY PLAN

INTRALATA TOLL DIALING PARITY PLAN

1. IntraLATA Environment

NationNet Communications Corporation customers will be provided IntraLATA dialing parity via NationNet Communications Corporation's local network upon initial approval of this application for facilities based services. NationNet Communications Corporation will implement IntraLATA dialing parity in each NationNet Communications Corporation local switch installed in Tennessee. This will provide each NationNet Communications Corporation customer with full 2-PIC (Primary Interexchange Carrier) selectivity in parity with existing resale services.

2. Carrier Selection Procedures

Utilizing a 2-PIC methodology, customers will be able to presubscribe to one telecommunications carrier for interLATA and presubscribe to the same or a different telecommunications carrier for intraLATA toll services. Although a service may be presubscribed, users may reach any carrier by dialing the appropriate access code. All eligible NationNet Communications Corporation end user telephone line numbers will be presubscribed according to this plan.

NationNet Communications Corporation employees who communicate with the public, accept customer orders and/or service customer accounts have been trained to explain the process and alternatives to customers and assist in the selection of both interLATA and intraLATA carriers.

3. Customer Education/ Notification

NationNet Communications Corporation has educated our customer services representatives on the 2-PIC availability. Customers contacting NationNet Communications Corporation for local service will be offered the opportunity to select an IntraLATA carrier of their choice. A list of currently available IntraLATA carriers is available to the customer upon request. In the event that the customer chooses not to select or have selected for them, an IntraLATA carrier, a no-pic will be placed on the order. In that event the customer will be required to select a carrier for IntraLATA dialing on a call by call basis using carrier access codes.

Notification of existing customers is not required, as NationNet Communications Corporation does not currently provide facilities based services in Tennessee and as such currently does not have an existing customer base.

4. Access to Operator Services and Directory Assistance

NationNet Communications Corporation will provide nondiscriminatory access to telephone numbers, operator services, directory assistance, and directory listing services in all areas served. For Operator Services, customers dial "0" to reach their local exchange operator and "00" to reach their interLATA operator service. For Directory Assistance customers dial "1-411" inside NationNet Communications Corporation's local service territory and "1-NPA-555-1212" for accessing their intraLATA carrier's Directory Service.

5. LATAs Served

NationNet Communications Corporation intends to offer services in all of the LATAs located in the State of Tennessee. This Plan will be implemented throughout all exchanges in Tennessee.

6. Cost Recovery

There will be no additional charges for the implementation of IntraLATA toll dialing parity within the NationNet Communications Corporation switching network. Costs charged by other LEC's which are passed on to NationNet Communications Corporation via TRA approved resale agreements will be passed on to customers on a pass-through basis.

7. Charge for PIC Changes

NationNet Communications Corporation will charge a service fee as outlined in its tariff for customers requesting a PIC change after the installation of their service has been completed. There will be no PIC charge for initial service installation, and there is no PIC change waiver period.

8. Conformation to FCC and TRA requirements

NationNet Communications Corporation will comply with any and all FCC and TRA rules and regulations including those concerning to the provisioning of IntraLATA Toll Parity. NationNet Communications Corporation will also conform to any and all anti-slamming rules and regulations approved by both the FCC and the TRA.

9. Anti-Slamming

It is NationNet Communications Corporation's policy to educate every employee on the current rules regarding customer slamming. In no event shall an employee issue a PIC change request without express written consent of the customer via signed LOA form.

Any customer notifying NationNet Communications Corporation that an IXC has slammed them from their desired service will be restored to the carrier of their choice at no charge and notification will be given to the appropriate regulatory authorities of the offending carrier.

EXHIBIT I
INCUMBENT LOCAL EXCHANGE PROVIDERS

NOTICE OF FILING

NationNet Communications Corporation has filed a Notice of Application with the Tennessee Regulatory Authority for a Certificate of Convenience and Necessity as a Competing Telecommunications Service Provider. The undersigned hereby certifies a copy of this notice and letter has been served on the following persons via U.S. Mail this 17th day of May, 2001.

Guy Hicks
BellSouth Telecommunications, Inc.
333 Commerce St. Suite 2101
Nashville, TN 37201

Ardmore Telephone Co.
Terry Wales , General Manager
517 Ardmore, Ave.
Ardmore, TN 38449

Century Telephone Or Adamsville
David Dickey, Division Manager
116 N. Oak St.
Adamsville, TN 38310

Century Telephone of Claiborne
Don Ray Fannon, Division Manager
57 Main St.
New Tazewell, TN 37825

Citizens Telephone of Ooltewah-Collegedale, Inc.
Terry Crutchfield, Division Manager
5616 Main St.
Ooltewah, TN 37363

TDS Telecom-Tellico Telephone Company
102 Spence St.
Tellico Plains, TN 37385

Loretto Telephone Company
Louise Brown, President
P. O. Box 130
Loretto, TN 38469

Millington Telephone Company, Inc.
W.S. Howard, President

4880 Navy Road
Millington, TN 38053

Sprint-United
Steve Parrott
Director-Regulatory Affairs
112 Sixth Street
Bristol, TN 37620

TDS Telecom-Concord Telephone Exchange, Inc.
Jerry R. Parkerson, Manager
P.O. Box 22610
701 Concord Road
Knoxville, TN 37933-0610

TDS Telecom-Humphreys County Telephone Company
Bernard R. Arnold, Manager
P.O. Box 552
203 Long Street
New Johnsonville, TN 37134-0552


TDS Telecom-Tennessee Telephone Company
P.O. Box 18139
Knoxville, TN 37928-2139

TEC-Crockett Telephone Company, Inc.
P.O. Box 7
Friendship, TN 38034

TEC-People's Telephone Company, Inc.
P.O. Box 310
Erin, TN 37061

TEC-West Tennessee Telephone Company, Inc.
P.O. Box 10
244 E. Main Street
Bradford, TN 38316

United Telephone Company
P.O. Box 38
120 Taylor Street
Chapel Hill, TN 37034


Ralph Monroe, President

NationNet Communications Corporation
35 Carriage House Drive
Jackson, TN 38305

To Whom it concerns:

NationNet Communications Corporation, a Delaware Corporation has filed with the state of Tennessee Regulatory Authority for a certification as a CLEC for the state of Tennessee. This is a notification that we have filed for a certificate of authority with the state of Tennessee for a CLEC license both local and long distance service.

Sincerely yours,


Ralph Monroe
President/CEO
NationNet Communications

EXHIBIT J
NUMBERING ISSUES

VIII Numbering Issues

Please provide answers to the following questions concerning numbering within your proposed service area.

1. What is your company's expected demand for NXXs per NPA within a year of approval of your application?

 We anticipate 20,000 NXX numbers for the year.
2. How many NXXs do you estimate that you will request from NANPA when you establish your service footprint?

 We estimate 20,000.
3. When and in what NPA do you expect to establish your service footprint?

 Nashville LATA, Memphis LATA.
4. Will the Company sequentially assign telephone numbers within NXXs?

 Yes, we anticipate ordering our NXX numbers in sequential order.
5. What measures does the company intend to take to conserve Tennessee numbering resources?

 NationNet would not over subscribe any numbers and only order numbers that we actually need for the year.
6. When ordering new NXXs for growth, what percentage fill of an existing NXX does the company use to determine when a request for a new NXX will be initiated?

 NationNet, before it orders any new NXX numbers will have already filled about 90% of their present NXX numbers and will have a reserve of less than 10% before making a new order to reserve new NXX numbers.

EXHIBIT K
PREFILED TESTIMONY

SWORN PRE-FILED TESTIMONY

BEFORE THE
TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

APPLICATION OF NATIONNET COMMUNICATIONS CORPORATION
FOR A CERTIFICATE TO PROVIDE COMPETING LOCAL TELEPHONE
SERVICES

PRE-FILED TESTIMONY OF

I, RALPH MONROE, do hereby testify as follows in support of the application of NationNet Communications Corporation for a Certificate of convenience and necessity as a competing telecommunications services provider to provide telecommunication services throughout the State of Tennessee.

Q: Please state your full name, business address, and position.

Ralph Monroe
NationNet Communications Corporation
35 Carriage House Drive Suite 3
Jackson, TN 38305
President

Q: Please briefly describe your duties.

I have overall responsibility for the company's telecommunications operations, including the development of business plans. I am the corporate officer responsible for ensuring that NationNet complies with all applicable regulations and regulatory requirements.

Q: Please describe your business experience and educational background.

A profile of my resume which shows I have been in marketing and have had majored in business and marketing at Jackson State University.

Q: Are all statements in NationNet Communications Corporation's true and correct to the best of your knowledge, information and belief?

Yes. All statements are true and correct to the best of my knowledge.

Q: Please describe the current corporate structure of NationNet Communications Corporation.

An Organizational chart of corporate structure is attached in this application.

Q: Does NationNet possess the requisite managerial, financial, and technical abilities to provide the services for which it has applied for authority?

Yes. NationNet does have the financial, managerial and technical abilities to provide services for which it has applied.

Q: Please describe NationNet's financial qualifications.

NationNet is financially able to provide service in Tennessee. As evidence of the viability of its financial status NationNet has provided a copy of its financial statements as Exhibit II to this application.

Q: Please describe NationNet's managerial and technical qualifications.

Profiles of key personnel are provided as Exhibit V to this application. As shown by these resumes, NationNet possesses sufficient managerial, technical, marketing and administrative experience to operate as a reseller within the state of Tennessee.

Q: What services will NationNet offer?

NationNet will offer resold local exchange services within the BellSouth territory of Tennessee. NationNet proposes to provide a variety of telecommunications services, including 1 + direct dialing, in-bound toll free calling and travel card services. NationNet targets its marketing efforts towards residential and business customers.

NationNet's services are provided 24 hours a day, 7 days a week. Intrastate telecommunications services are offered in conjunction with NationNet's interstate service. NationNet proposes to provide originating and terminating service to prospective customers throughout the entire state of Tennessee.

Q: Will NationNet offer services to all consumers within its service area?

Yes. Nation Net intends to provide all services to all consumers within its service area.

Q: Does NationNet plan to offer local exchange telecommunications services in areas served by any incumbent local exchange telephone company with fewer than 100,000 total access lines?

Yes. NationNet does plan to offer local exchange telecommunications services in incumbent local exchange telephone companies.

Q: Will the granting of a certificate of convenience and necessity to NationNet serve the public interest?

Yes. Certification of NationNet will enhance telecommunications competition in Tennessee. Competition encourages technological innovation and efficient use of resources.

Increased competition has proven to benefit consumers by providing a wide variety of services and prices from which consumers can choose. Certification of NationNet will provide Tennessee Consumers with a wider choice of services and providers from which to select their long distance service and service provider.

Q: Does NationNet intend to comply with all Tennessee Commission rules, statues, and orders pertaining to the provision of telecommunications services in Tennessee, including those for disconnection and reconnection of service?

Yes. NationNet does intend to comply with all rules and regulations of TRA and orders pertaining to the provision of telecommunications services in Tennessee.

Q: Has any state ever denied NationNet or one of its affiliates authorization to provide intrastate service?

No. NationNet is a start up company and has never been denied authorization.

Q: Has any state ever revoked the certification of NationNet or one of its affiliates?

No. NationNet is a start up company.

Q: Has NationNet or one of its affiliates ever been investigated or sanctioned by an regulatory authority for service or billing irregularities?

No. NationNet is a start up company and has not billed any consumers.

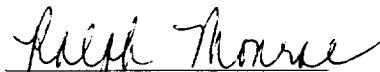
Q: Who is knowledgeable about NationNet's operations and will serve as NationNet's regulatory and customer service contact?

Ralph Monroe, President of the Company and knowledgeable about the company's operations. NationNet's toll free Customer Service telephone number is 1-888-420-7781 for billing and customer service

Q: Does this conclude your testimony?

Yes

I swear that the foregoing testimony is true and correct to the best of my knowledge.



Ralph Monroe
President of NationNet
NationNet Communications Corporation

Subscribed and sworn to me this ___ day of

Notary Public

State of

County of

My Commission expires

CANDY PAHHISH
Notary Public, Madison Co., TN
Comm. Expires Jan. 18, 2003

EXHIBIT L

MINORITY BUSINESS PLAN

**SMALL AND MINORITY-OWNED TELECOMMUNICATIONS
BUSINESS PARTICIPATION PLAN**

Pursuant to T.C.A. 865-5-212, as amended, NationNet submits this small and minority-owned Telecommunications business participation plan (the "Plan") along with its Application for a Certificate of Public Convenience and Necessity to provide competing intrastate and local exchange services in Tennessee.

I. PURPOSE

The purpose of 865-5-212 is to provide opportunities for small and minority-owned businesses to provide goods and services to Telecommunications service providers. NationNet is committed to the goals of 865-5-212 and to taking steps to support the participation of small and minority-owned Telecommunications businesses in the Telecommunications industry. NationNet will endeavor to provide opportunities for small and minority owned Telecommunications businesses to compete for contracts and subcontracts for goods and services. As part of its procurement process, NationNet will make efforts to identify and inform minority-owned businesses that are qualified and capable of providing goods and services to NationNet such opportunities. NationNet's representatives have already contacted the Department of Economic and Community Development, the administrator of the small and minority-owned Telecommunications assistance program, to obtain a list of qualified vendors. Moreover, NationNet will seek to increase awareness of such opportunities so that companies not otherwise identified will have sufficient information to participate in the procurement process.

II. DEFINITIONS

As defined in 865-5-212.

Minority-Owned Business. Minority-owned business shall mean a business which is solely owned, or at least fifty-one percent (51%) of the assets or outstanding stock of which is owned, by an individual who personally manages and controls daily operations of such business, and who is impeded from normal entry into the economic mainstream because of race, religion, sex or national origin and such business has annual gross receipts of less than four million dollars (\$4,000,000).

Small Business. Small Business shall mean a business with annual gross receipts of less than four million dollars (\$ 4,000,000).

III ADMINISTRATION

NationNet's Plan will be overseen and administered by the individual named below, hereinafter referred to as the Administrator, who will be responsible for carrying out and promoting NationNet's full efforts to provide equal opportunities for small and minority-owned businesses. The Administrator of the Plan will be:

Ralph Monroe
NationNet Communications Corporation
35 Carriage House Drive
Jackson, TN 38305
Telephone: 731-660-6596

The Administrator's responsibilities will include:

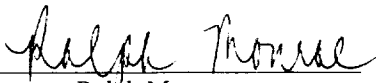
- (1) Maintaining an updated Plan in full compliance with 865-5-212 and the rules and orders of the Tennessee Regulatory Authority.

Assistance with technical, insurance, bonding,, licensing ,production. and deadline requirements.

IV RECORDS ADN COMPLIANCE REPORTS

NationNet will maintain records of qualified small and minority-owned business and efforts to use the goods and services of such businesses. In addition, NationNet will maintain records of educational and training activities conducted or attended and of the internal procurement procedures adopted to support this plan.

NationNet Communications Corporation

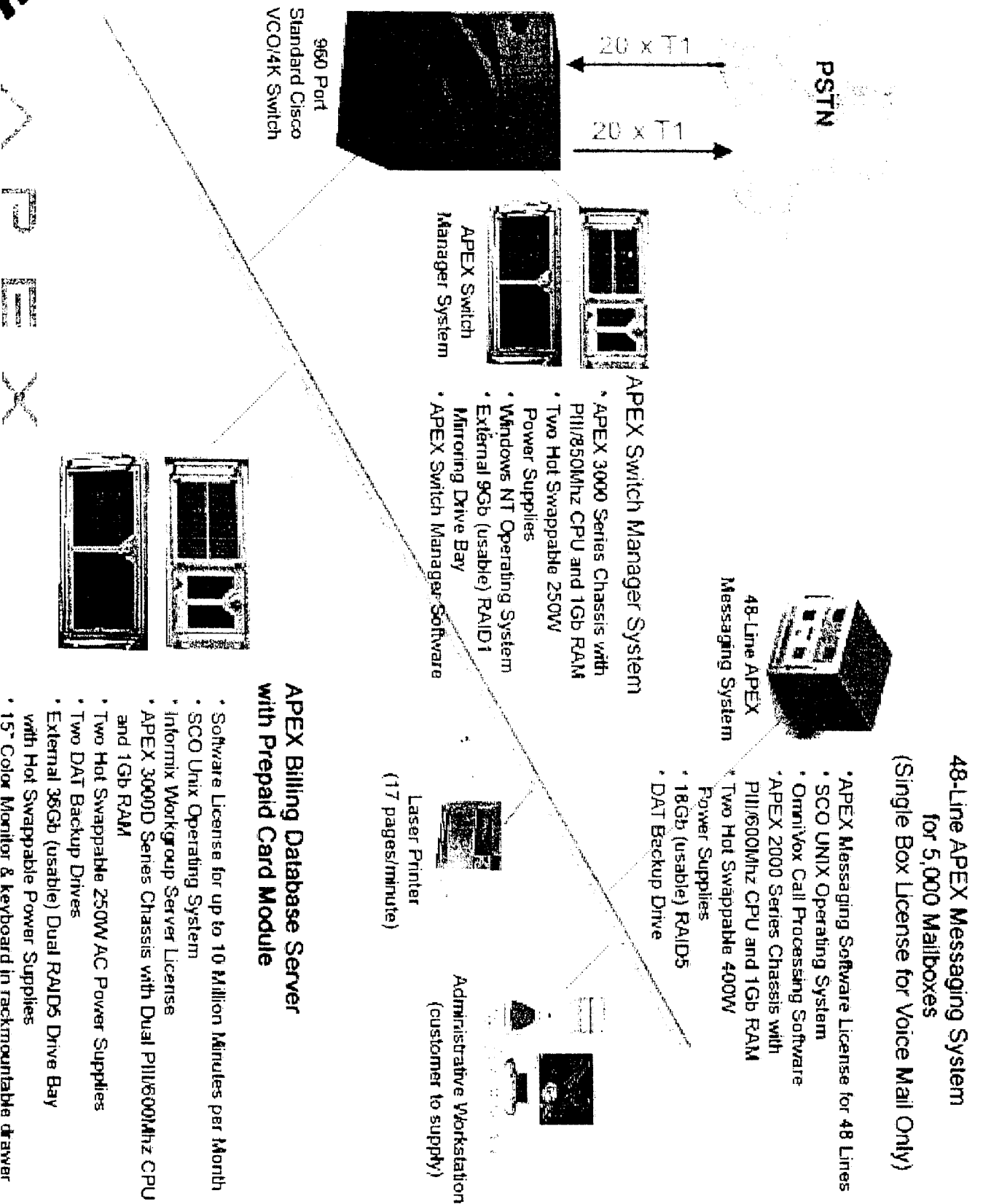
By: 
Ralph Monroe
President

Dated: April 4, 2001

TELECOMMUNICATIONS NETWORK
DIAGRAM

Network Diagram for .ationNet Communications

APEX Billing System with Prepaid Card Module & APEX Messaging System for 5,000 Mailboxes



APEX
VOICES COMMUNICATIONS

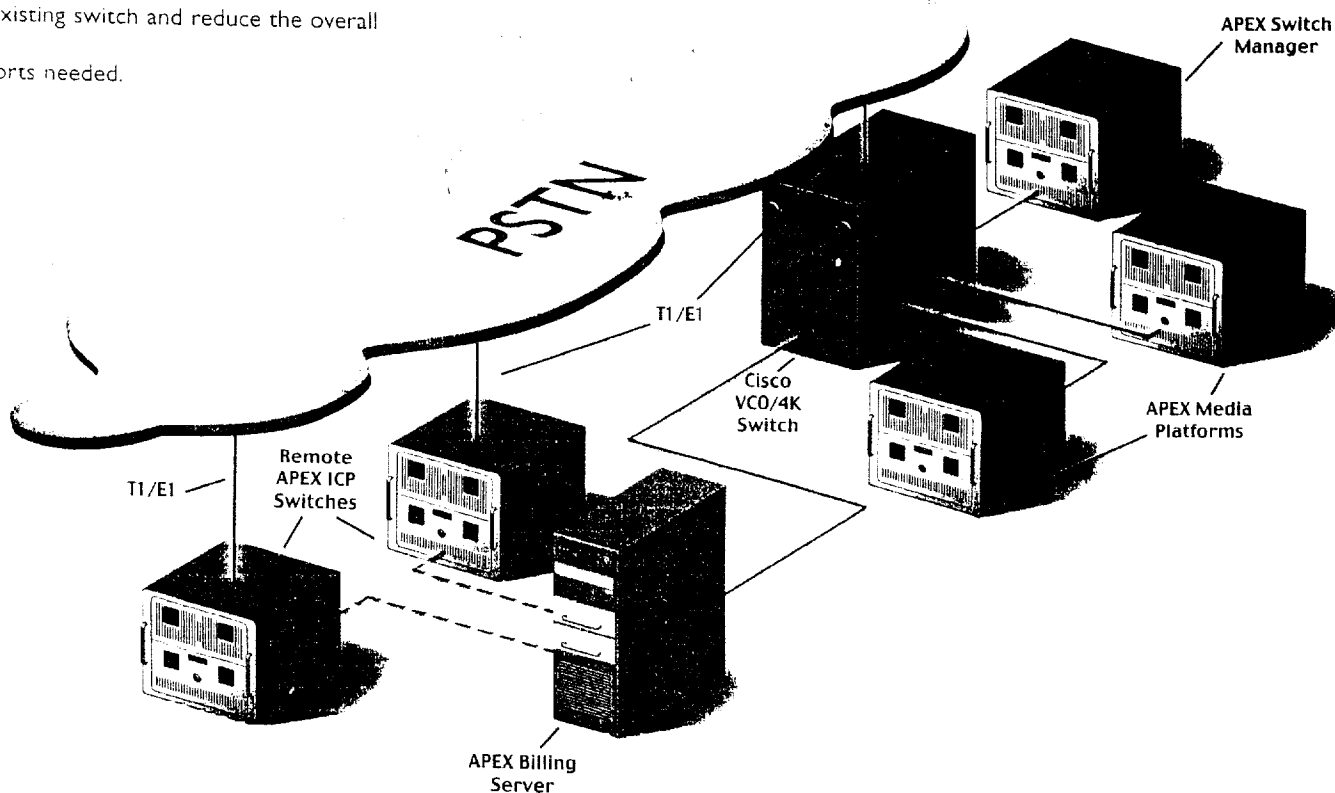
Interface to Other Switching Platforms

APEX Billing is a ticket-oriented transaction processing system and can process any type of CDR or billing ticket from any switch. APEX offers several standard formats as well as customization services for special interface requirements. APEX Billing has a Release Link Trunking (RLT) module that allows OmniVox Intelligent Call Processors to pass calls back (release) to the switch after call set up. This allows the billing system to utilize your existing switch and reduce the overall number of ports needed.

IP Switching

APEX Billing can be configured to support remote locations using VoIP gateways. VoIP traffic is transparent to the Billing System.

APEX Billing System Components



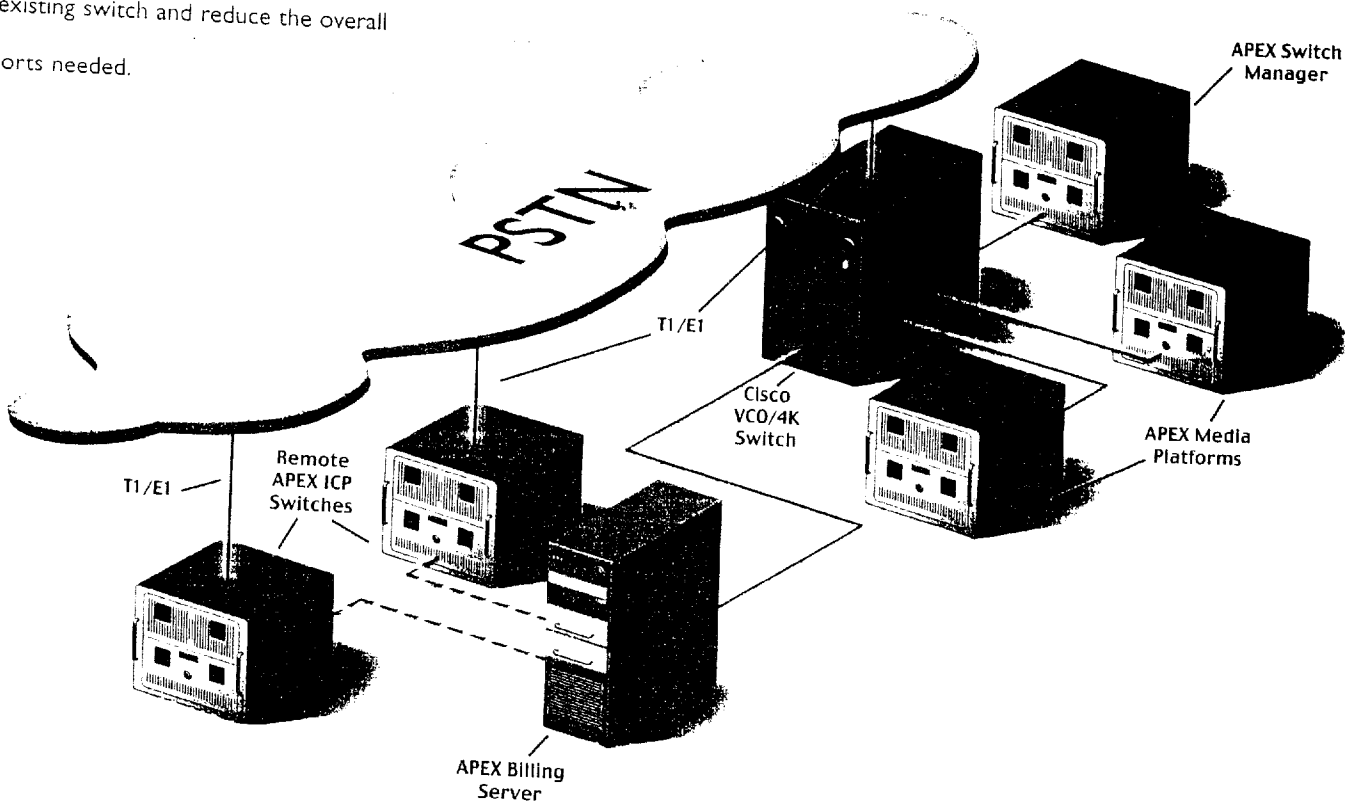
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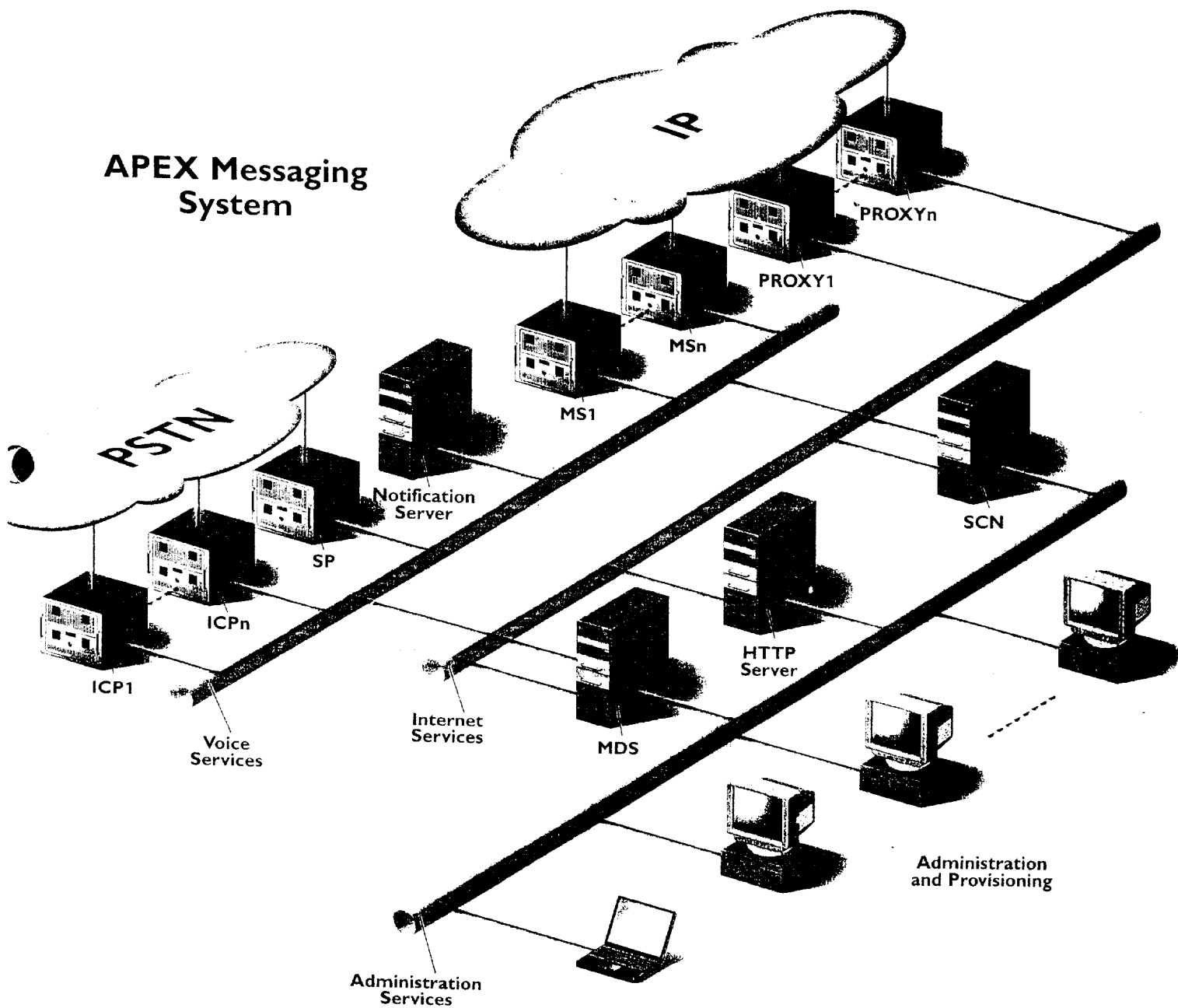
IP Switching

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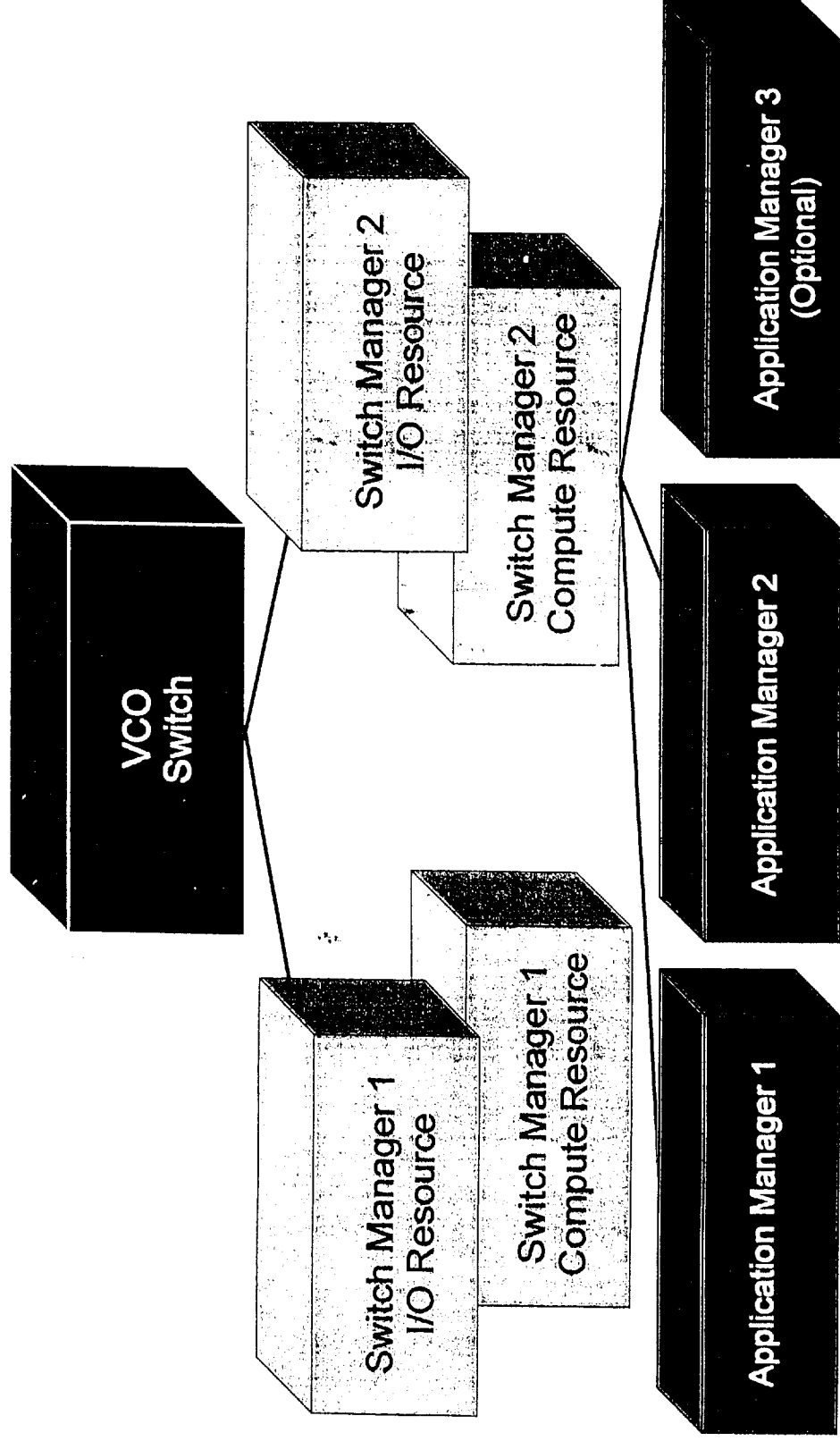
APEX Billing System Components



APEX Messaging System

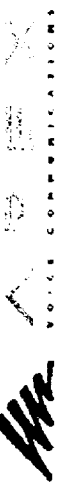
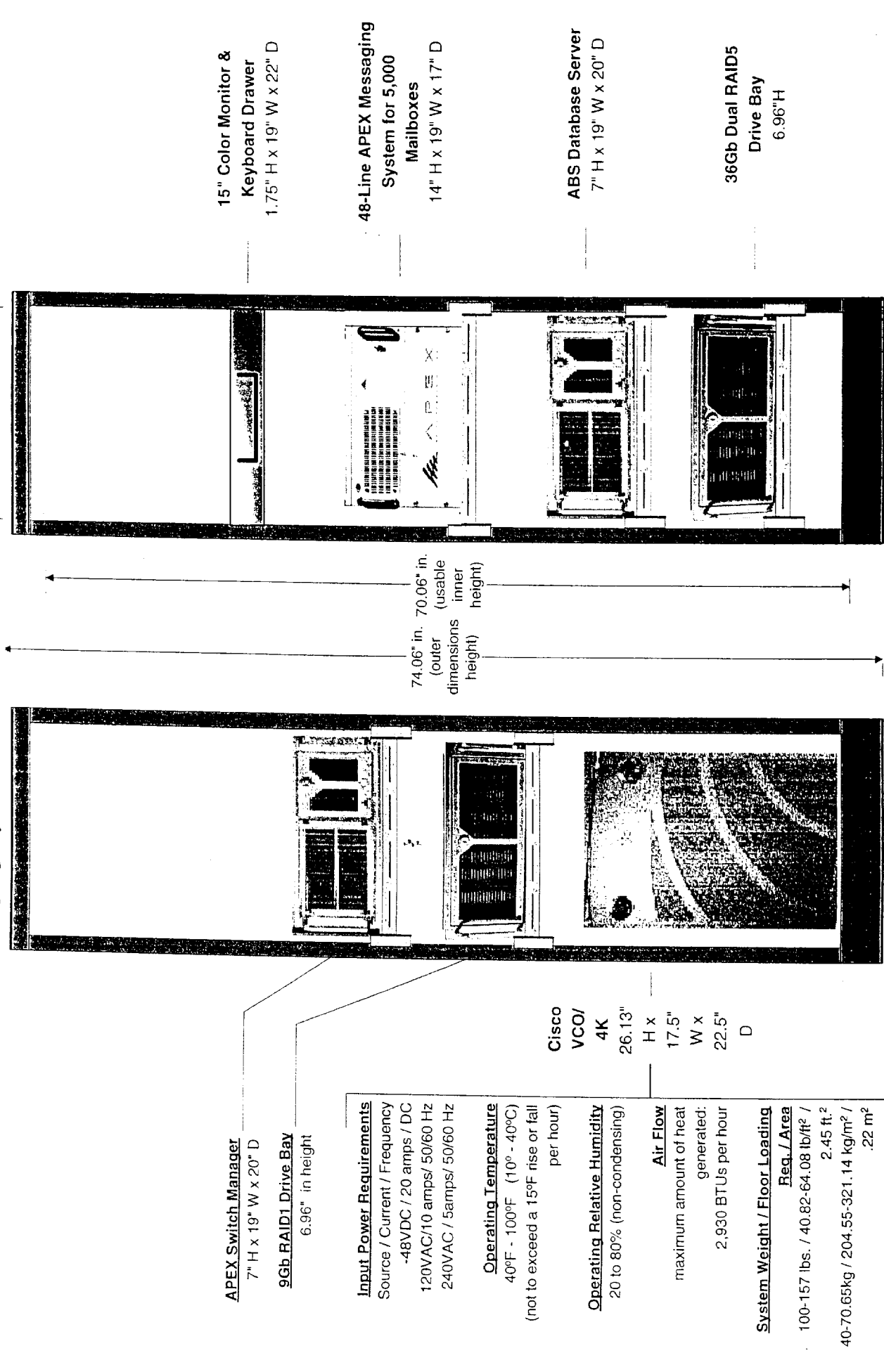


APEX Switch Manager Fail Over Diagram



Site Requirements for NationNet Communications

ABS System with Prepaid Card Module &
APEX Standalone Messaging System



Note: diagram not drawn to scale

Input Power Requirements	
Source / Current / Frequency	
-48VDC / 20 amps / DC	
120VAC/10 amps/ 50/60 Hz	
240VAC / 5amps/ 50/60 Hz	
Operating Temperature	
40°F - 100°F (10° - 40°C)	
(not to exceed a 15°F rise or fall per hour)	
Operating Relative Humidity	
20 to 80% (non-condensing)	
Air Flow	
maximum amount of heat generated:	
2,930 BTUs per hour	
System Weight / Floor Loading	
Req. / Area	
100-157 lbs. / 40.82-64.08 lb/ft² / 2.45 ft.²	
40-70.65kg / 204.55-321.14 kg/m² / .22 m²	

Cisco VCO/ 4K 26.13' H x 17.5' W x 22.5' D